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Minutes of a Town Board Meeting held by the Town Board of the Town of Riverhead at Town Hall, 200 Howell Avenue, Riverhead, New York, on Tuesday, March 16, 2004, at 2:00 p.m.

Present:

Philip Cardinale,	Supervisor
Edward Densieski,	Councilman
Barbara Blass,	Councilwoman
Rose Sanders,	Councilwoman
George Bartunek,	Councilman

Also Present:

Barbara Grattan,	Town Clerk
Dawn Thomas, Esq.,	Deputy Town Attorney

Supervisor Cardinale called the meeting to order at 2:00 p.m.

Supervisor Cardinale: "We would like to commence the meeting of

March 16th, the day before St. Patrick's Day, with the Pledge of Allegiance. Perhaps we could have Vince Tria lead us in the Pledge of Allegiance. Yeah, for St. Patrick's Day, Vince Tria is just perfect."

(The Pledge of Allegiance was recited, led by Vince Tria)

Supervisor Cardinale: "Thank you very much, Vince.

We have a presentation to be made to the Employee of the Quarter, so perhaps we should do that right now. You're coming down to join us. No, perhaps we should have a proclamation as well. Is anybody here from my crack staff? Thank you. I know I signed it, but it must be sitting on my desk.

Maybe we should introduce me to the Employee of the Quarter. I know Diane. Okay. There it is, we've got it."

Madelyn Sendlewski: "Ladies and gentlemen, my name is Madelyn Sendlewski. I'm a member of the Labor/Management Committee of the Town of Riverhead. I see some of my Co-Committee members alongside of me. We have the honor and the privilege of honoring the Employee of the Quarter of each quarter of the year for the Town of Riverhead.

I would like to- our procedure will be that I would just like to

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ask you all to join me in applauding Diane Wilhelm. I would like her to come down first. Diane? I'm going to step aside, Supervisor. Right now we'd like- Diane.

Diane is the recipient of our most recent Employee of the Quarter award and Diane started with the Town of Riverhead in my office, in the Assessor's Office, so I'm stealing a little bit of Barbara's thunder here because I wanted to say what a wonderful person she is and what a wonderful person she was to have working for you. She did leave us and moved down to Barbara's office.

I just wanted to say though on a personal basis for myself, you know, we go down the road of life and we never know what mountains will be placed in front of us. Some of those mountains that have been placed in front of us, you can't go around. You have to climb up that mountain and, hopefully, you've learned much on your road to victory.

Diane, a beautiful housewife, a great worker, husband, two children, terrific family, cancer. We watched her fight like a real trooper, a positive attitude, lots of prayers, and she came out on top. And I just have to say that for me you were a symbol of strength, of courage, and we love you very much.

And Barbara Grattan would like to say something and our Supervisor will issue the proclamation to Diane but not before welcoming down her husband. Go ahead, Barb."

Barbara Grattan: "What ever Madelyn says, is exactly true. I stole Diane from the Assessor's Office and I am so happy that Diane came. Diane is a tremendous, tremendous employee. She is great to the customers that come to my office and to her co-workers. Diane will do anything. She is absolutely a truly valued employee. And at the same time, I'd like to call Councilman Densieski up. I think he has a few words that he would like to say."

Councilman Densieski: "Thank you, Barbara. I don't know. Madelyn seemed to say it pretty well. Terrific, wonderful, all those things. Diane is a great employee and I have to say I've been here over 4 years and she is the most even keeled and polite person.

I don't care who goes to that counter, they are treated with respect and they are always welcomed to Riverhead Town, and there's never any- doesn't get involved in Town Hall gossip or politics. She is just a wonderful employee. I'm glad I got to work with you, Diane."

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Diane Wilhelm: "Thank you."

Supervisor Cardinale: "We have- Diane, your husband, Rick, if he could come up, and your son Matt and daughter Colleen."

Diane Wilhelm: "Colleen is in school."

Supervisor Cardinale: "She's in school? Riverhead?"

Diane Wilhelm: "Yes."

Supervisor Cardinale: "Your son goes to school to the University of Massachusetts, I see, as does my son is a graduate student there. So- congratulations. Congratulations to you and mostly congratulations to you."

Diane Wilhelm: "Thank you."

Supervisor Cardinale: "I- when I get these proclamations, my staff puts them together very carefully from the material that I've received and I have to say this proclamation as I am about to read it, reflects a certain amount of genuineness and specificity that sometimes is lacking in proclamations and I think that's because the person who is being proclaimed is apparently quite an extraordinary human being. So I will read it.

WHEREAS, it is an honor bestowed on an employee that has excelled;

WHEREAS, an employee that goes beyond the call of duty and one who consistently performs beyond expectation, that person is Diane Wilhelm;

WHEREAS, Diane originally was hired in the Assessor's Office in 1998, served in the Assessor's Office for one year and then was transferred into the Town Clerk's Office where she has been for five years;

WHEREAS, Diane is truly a valued employee. She serves as Deputy Town Clerk and is dedicated to her duties, co-workers, and the successful operation of the Town Clerk's Office.

She is courteous to the customers, goes the extra step to help them in every that she can. She gets along with her peers and also helps them to do their utmost. She plans, directs (inaudible) and is

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always available to the staff. She has a very pleasant personality and Diane never has a bad day. She is always eager to get started at any task that is placed before her.

WHEREAS, Diane is married, resides in Calverton with her husband, Rick, son, Matthew, who attends the University of Massachusetts in Amherst, and Colleen who is a junior at Riverhead High. Another very special resident in her home is Oscar, a dachshund, who is her special love.

WHEREAS, her special hobbies are gardening and spending time outdoors, yard sales another favorite;

WHEREAS, Diane likes to sing and keeps the Town Clerk's Office (inaudible) all day long.

NOW, I, PHILIP CARDINALE, Supervisor of the Town, do hereby congratulate and honor Diane Wilhelm as the Employee of this Quarter and an all around good person."

Diane Wilhelm: "Thank you. Now is the part I have to say something. I'm not much of a public speaker, but I would like to thank the Labor/Management Committee for giving me this honor, and the Town Board, all the members of the Town Board, my family for all being here on this snowy day, thank you. And, last, I would like to thank the people in the audience because I see so many familiar faces and you come into our office and ask for help and you truly make my job pleasant. Thank you."

Supervisor Cardinale: "And a bond. I knew you'd mention that. Thank you, thank you, the members of the Committee as well.

Okay. Barbara, I guess the first order of business- I have to find my schedule, but after we do that, you're going to tell us about the minutes of the last board meeting. Okay, here it is. Town Board meeting agenda.

So tell us- we will now approve the minutes of the March 3, 2004 session. Somebody please offer the minutes to be approved. How about you, George."

Councilman Bartunek: "That's fine. I offer the minutes be approved of the last meeting, March 3rd."

Councilman Densieski: "Second."

Supervisor Cardinale: "And seconded by Ed. Moved and

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seconded. Can we have a vote on approval of the minutes of the last meeting, March 3rd."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. Those minutes are approved."

Supervisor Cardinale: "Okay. Now we have some Reports. Barbara, could you take us through them?"

Barbara Grattan: "Sure."

REPORTS:

Tax Receiver	Total collections to date was \$47,269,389.97
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Building Department	Monthly report for February. Total collected, \$89,692.95
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Juvenile Aid Bureau	Monthly report for February
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Barbara Grattan: "That concludes Reports. Short agenda."

Supervisor Cardinale: "That's well read though, I must say. I was distracted by my colleague on my right here. Did you read Applications yet?"

Barbara Grattan: "No, I did not."

Supervisor Cardinale: "Would you please?"

Barbara Grattan: "Sure."

APPLICATIONS:

<u>Special Events</u>	Cooley's Anemia Foundation - Oct. 2 nd for a bike-a-thon 4 mile walk
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Barbara Grattan: "That concludes Applications."

Supervisor Cardinale: "And Correspondence, please."

CORRESPONDENCE:

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Robert Kozakiewicz

Letter regarding Hartill
Contracting, Inc.

Monica Cotty

Regarding dog pound

Barbara Grattan: "That concludes Correspondence."

Public Hearing opened: 2:22 p.m.

Supervisor Cardinale: "Thank you. There's two public hearings for this date and we have one that is remaining open from the last meeting.

In regard to that first that is still opened, the John Hartill exemption from Local Law 22, a moratorium on residential development, held over from the March 3rd meeting, is there anyone- the counsel to Mr. Hartill is here. Anyone else have anything to say, line up and let's get going on that at 2:22, recommencing that hearing."

Robert Kozakiewicz: "Mr. Supervisor, Town Board members, thank you for an opportunity to address you. Procedural things out of the way first. What I would ask is that the memorandum that I delivered by letter referenced earlier of March 12, 2004, be made part and parcel of this hearing. I believe the applicant has set forth in the memorandum reasons why first and foremost we believe we should be entitled to site plan approval, but moving aside and getting to the issue at hand, why we believe we should be granted an exemption from the moratorium since it is evident by looking at today's agenda that the Board has made a determination that they believe we still are subject to the moratorium."

I'm not here to argue that point except to place on the record that applicant previously has stated that we note as the Supervisor so pointedly pointed out at the last meeting, the March 3rd, that there is no moratorium in effect, the moratorium having lapsed, and as such it was somewhat contradictory that we would have to be subject to a moratorium that's not in place.

We want to point out- I want to add that as far as the site plan process itself, because I know there was some open ended questions where is the site plan in the approval process. Under Article 26 of the Code, an applicant is required to put in a preliminary submission. He did that in October. He did receive a review from the Planning Department's consultant, Mr. Gaudiello (phonetic), and as a result of those comments, a final site plan was put in to the town in November of 2003.

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The town Architectural Review Board has taken this matter up and on November 12, 2003, approved the site plan, the elevations.

On or about December 1st, the plans were circulated around Town Hall as required under Article 26 and the reason I note that is because I know that from watching the Town Board meeting on television, there was a question raised as to whether they have been distributed, the 14 copies, as required by Article 26.

The fact that they have is evidenced by the fact that there was a memorandum of December 3rd from the Fire Marshal. He obviously responded to a site plan that was distributed and further evidenced by the fact that there is a notation in the Town Clerk's Office recognizing or memorializing the fact that on December 1st, the site plan was delivered to the Town Clerk's Office for distribution.

In addition to that, the applicant, Mr. Hartill, has delivered a site plan review fee, having done that on or about November 13, 2003.

As I pointed, I'm not here to argue. We had hoped that there would be a resolution on approving site plan. As a fall back, we were hoping that there would be a resolution on exempting this project from the moratorium.

Neither one of those being the case, I do want to state that as far as the exemption is concerned, we do believe that this application is so similar to and cannot be distinguished from the NF Management application that we should be similarly treated. We believe that, you know, part of fundamental fairness, part of the constitutional guarantees, and clearly for the same reasons that the NF Management application was approved, Mr. Hartill's application should be approved.

Both applications involved current zoning of Business D. Both applications anticipate an R-40 zoning use district as per the adopted land use plan or master plan of the Town Board. Both applications provide for multiple residence, in this case we believe affordable or work force type housing, which is one of the stated goals of the master plan.

We would ask the Board, assuming there's no other testimony from individuals in opposition, or if there is, nonetheless to close today's public hearing and put this matter up for a vote at the next Town Board meeting.

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We believe that we have complied fully with Article 26 of the Code. We clearly have done everything in accordance with direction that's been given to the applicant by the Town. And I want to stress that, because I don't know how clear and unambiguous that was made at the last meeting.

Prior to acquiring the property, Mr. Hartill has related to me that he did come into the Town, visit the Building Department as well as the Planning Department, to gain a sense for what he could or could not do on the premises. Based upon the guidance he received, he proceeded forward with the plan that's before the Board and which is the subject matter of today's continued hearing.

He has done that throughout and, in fact, followed, as I said before the NF Management application pretty much to a "T". Not only is zoning the same, but he also went about retaining the same architect, Martin Sendlewski, to make sure that he followed the same steps.

I also want to make a comment and it's not to throw any monkey wrenches or barbs or anything at the Town Board, because I know we keep talking about the master plan. I know we keep talking about visiting compliance with the master plan.

Clearly the zoning that's envisioned, R-40 for this particular piece of property, may or may not provide for the use in question. I know, however, as pointed out, that there are other parts of the master plan which talk about high density housing or housing that would be work force housing in the downtown area that would promote walkable communities. We believe we meet that stated goal.

We also want to point out or add to the Town Board, although it may seem somewhat hard to imagine given the process that the Town Board has gone through to adopt this master plan, that it's not the zoning is not done at this point in time.

And part of the process, although we all would love to see I think it get adopted as it's previously been approved by the Board, we can't presume that. We can't say it's absolutely going to be this way. To suggest that, would be to suggest to all the individuals who have participated in the process and who intend to participate in a process, that's it's fait accompli. But that's not the case.

The zoning process involves a hearing, it involves putting forth legislation, it involves putting forth maps, it involves hearing from individuals such that the zoning in the future may change. And to

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suggest to the contrary, is to say that the town, its residents, its stakeholders, and individuals who will have something to say in that process, will be foreclosed from doing so or will have the door shut on them.

I point this out because we believe, again, that we meet the generalized goals, i.e., providing work force housing. We believe and suggest that we do meet the NF Management application to a "T", such that you cannot distinguish between the two of them and as pointed out in my memorandum, that application received an approval from the Board in December, and is currently under construction.

It's our hope that today after all evidence is received, you close the public hearing and that at the next meeting you take this matter up for a vote and grant us an exemption, as we believe we have satisfied all the criteria.

Thank you."

Supervisor Cardinale: "Thank you. Is there any other comment on this application? If there is not, at it being 2:31, I would like to leave this open for 10 days until March 26th for any written comment that anyone wishes to submit. It will close at that time and we will have it I would expect for a vote at the next Board session on April 6th I think it is. Thank you."

Left open for public comment to March 26, 2004

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Supervisor Cardinale: "Okay, the first public--the second public hearing that's listed, the special permit of Martin Rosen was, in fact, adjourned to the second- at the request of the applicant, to the second week in April. I'm sorry, the second meeting in April, which date is- do you know it, Barbara?"

Barbara Grattan: "I think it's April 20th."

Supervisor Cardinale: "April 20th. And so that brings us to the 2:05 p.m. hearing, which is whether FRP Development Corp. should be designated the qualified and eligible sponsor for the redevelopment of approximately 150 acres of vacant land at the CDA owned Calverton site. I'd like to commence that public hearing now."

Public Hearing opened: 2:31 p.m.

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Supervisor Cardinale: "I'd like to note at the outset it being 2:31, that is my intention and that of the Board because this is a day meeting, in order to allow the widest opportunity for comment, that we will keep this open through at least April 7th which will allow comment on the April 6th evening meeting by Calverton and other residents who can't make it to this meeting, and without further adieu, let's get started.

Is the applicant or his counsel here? Charles Cuddy, applicant's counsel."

Charles Cuddy: "Thank you, Mr. Chairman. Mr. Supervisor, I'm not sure, I just wanted to delineate what that thought was and that is that you are opening up this meeting now and it's going to remain open through the next meeting or to the next meeting?"

Supervisor Cardinale: "Through the next meeting. So that at least- what I'll probably do is very similar to what I did with the last one, that we'll take as much information that we can at this hearing, see if there's any more to be taken on the April 6th, keep it open for 10 days for written comment, and then close."

Charles Cuddy: "Okay. But there can be a further hearing essentially then."

Supervisor Cardinale: "Yeah. The adjourned date of this hearing. And the reason I did that is because we had received comment from- and I know I spoke with you on Friday and I meant to mention this to you, we had received comment from members of the public who had indicated that since today is a day meeting, they were unable to make it. Could they comment at the 6th? So I said I'd keep it open to allow them that."

Charles Cuddy: "Thank you. I represent FRP Development Corp. in this qualified and eligible sponsor hearing. We propose and there's a map here to show it, that we develop a 145 acre site at Calverton off Route 25 in the EPCAL site, with a hotel destination conference site. Components on that site- at that site, will include both a theme park and a go cart facility.

The hotel will consist of 200 rooms, have swimming pools, plural, restaurants and conference rooms. There will be a theme park which takes up approximately 45 acres of the site and that includes the parking. And it will have 20- 19 to 20 adult type rides, and approximately six or seven children's rides.

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There will be an indoor go cart facility which will take up approximately, as far as the building is concerned, an acre and those carts are inside at all times.

We anticipate that we will have approximately during the 130 day period when the theme park would be open, about 5,000 people daily coming there. That would translate traffic-wise into at a peak time, 250 cars and on an unusually heavy day which occurs maybe two or three times a year, we would have 400 to 450 cars an hour, at the peak time. But there's a much smaller number that come during the day because the period of time we're talking about is eight to 10 hours when cars are coming in and going out.

I want to say this because there has been a great concern expressed by some people about the traffic and the volume. Comparing it to Splish Splash, Splish Splash has approximately 450,000 people come. We would have approximately 550,000. We're a little bigger than Splish Splash, but we're a lot smaller than Tanger. We're talking about volumes of people and traffic.

I have talked with the Town Assessor, Laverne, one of the Assessors, Laverne Tennenberg. She's indicated to me that based upon the cost of the project, which will probably exceed \$70 million dollars, that the real property taxes will be at least a million dollars, if not more. And I say this so you can be aware that in addition to paying \$50,000 an acre and for this site we would be paying \$7,250,000, that we will each year be paying taxes and we do intend to ask for forgiveness for those taxes.

I have today a number of people who have come here who are principals, other people who are consultants. I will introduce them to you individually, but I would like to do one thing. We mention the hotel which is the centerpiece of this entire operation and I have a drawing for you so you can see the design (inaudible). I also have individual copies of the proposal.

Since this hearing primarily concerns economic issues, I have people who are going to talk about those issues and I would like to introduce them, one by one.

The first person here is, of course, the town's real estate broker because I think we have to establish the value and that it is sufficient value, and I've asked Jack O'Connor if he would please come forward and he can talk about that."

Supervisor Cardinale: "Jack, you want to state your name for the record and address?"

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Jack O'Connor: "Jack O'Connor, (inaudible), 88 Froelich Farm Blvd., Woodbury, New York."

Supervisor Cardinale: "And you are the agent for the sale of that property for the town. Correct?"

Jack O'Connor: "That is correct."

Supervisor Cardinale: "Could you- there has been comment within the Board and within the public as to the appropriateness of the \$50,000 per acre price for this 150 or so acres. Could you indicate your expertise and then comment on whether you believe that is or is not an appropriate price?"

Jack O'Connor: "Actually, I think it is an appropriate price primarily because probably about 18 months ago, that the Town Board when they put a mini moratorium on this particular piece of property, that they wanted to establish what the values were today and what they possibly might rezone it for."

From my recollection, the Family Entertainment Property which had 1500 acres remaining, was valued at that zoning for recreation, at approximately \$20,000 an acre. Since there was no subdivision as to individual lots, just 1500 acres, when the FRP proposal came along, I quote them \$50,000 an acre, which was \$30,000 an acre above and beyond what the appraisal called for."

Supervisor Cardinale: "I happen to have seen that and reviewed it recently and the theme park use on that- who was the entity that did that appraisal for the Town? It was done in October, 2002."

Jack O'Connor: "Landower Associates (phonetic)."

Supervisor Cardinale: "Okay. And that is a subsidiary of CB Ellis (phonetic)."

Jack O'Connor: "No. It's a subsidiary of Grubb and Ellis."

Supervisor Cardinale: "Grubb and Ellis. Okay. The reason- I believe actually the theme park use according to that and it's on my desk- Rick, in my office, could you pull that. It's on my desk or on the credenza next to it. Andrea knows it."

They do indicate \$40,000 for theme park use but they also indicate \$150,000 an acre for hotel use. Could you comment on that?"

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Jack O'Connor: "I can comment on that. \$150,000 an acre would be appropriate for theme park use if it was subdivided into a 20 acre lot which is what the hotel is requiring."

Supervisor Cardinale: "No. But what I'm saying is that the theme park use is indicated in the Landower report, their estimate is \$40,000 per acre value."

Jack O'Connor: "You could be right, Phil. My recollection, it's been a year and a half now- "

Supervisor Cardinale: "Yeah."

Jack O'Connor: "-- it's \$20,000 an acre."

Supervisor Cardinale: "Well, I have it here. I wanted to show it to you because I wanted to ask you about it. But the- thank you. But the hotel use is indicated at a much higher value. I'm looking at it, I'll hand it up to you. The hotel conference center use is \$150,000 an acre; the amusement park is \$40,000 an acre according to them. The sports park subdistrict is \$21,000 an acre. Family entertainment, they indicate much to my amazement incidentally, at \$150,000 an acre. Golfing, \$11,000 an acre; residential, \$25,000 per unit. So let me let you look at that."

Jack O'Connor: "What they did is they blended that out to be \$21,000 an acre for overall family entertainment. That was the summary, if I recall."

Supervisor Cardinale: "Take a look at it, but most especially I just wanted you to comment on the \$150,000 an acre for a hotel use."

Jack O'Connor: "Yes. And I agree for that. If you had a subdivision of 20 acres for- but you don't. You have a 1500 acre piece of- parcel of property which was appraised at a- here it is right down here, total, \$24,000 per acre. That's the median range."

Supervisor Cardinale: "I still- they're going to use a portion of this property for a hotel."

Jack O'Connor: "That is correct."

Supervisor Cardinale: "We're selling the entire property for \$50,000 an acre. Why aren't we getting \$150,000 for that portion that the hotel is going on?"

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Jack O'Connor: "Well, in essence you're are. You're getting more and I'll tell you why. If you take 20 acres times \$150,000 an acre, you have \$3,000,000. If you take 125 acres times \$25,000 per acre, you probably come out- can I use my calculator? You come out with \$3,000,000."

Supervisor Cardinale: "I understand."

Jack O'Connor: "You come out with a total of \$6,000,000 based on the fact that you valued it at \$150,000 per acre which is \$1,250,000 less than you are getting right now with this price with a blended rate of \$50,000 an acre."

Supervisor Cardinale: "I may be misreading it. We can discuss this at another time as well. But if you look at what I just gave you, it indicates for a theme park, \$40,000 an acre, and for a hotel, \$150,000 an acre. And I just want to make sure we're not underselling this property. It's a key issue, both in regard to this hearing and in regard to my chances of being perceived as non-stupid as a Supervisor."

Jack O'Connor: "Based upon the way the property is divided right now, currently at 1,500 acres, I cannot get you more than \$50,000 per acre unless you want to take a subdivision of individual lots."

Supervisor Cardinale: "Okay. But we're going to have to subdivide whatever- "

Jack O'Connor: "And I still disagree that the hotel property is not worth \$150 an acre. I agree with you."

Supervisor Cardinale: "Right. But we're going to have to subdivide out from our remaining acreage of several thousand acres, whatever it is we sell the applicant. We have to- they have to subdivide a piece out so I guess what I'm saying is why don't we subdivide a piece out for hotel and charge \$150 on that and subdivide a piece out for them park and charge 50 or 40 on that?"

Jack O'Connor: "But the blended rate for all this Family Entertainment Property does not come out to 40. It comes out to \$24,000 because of all the different types of venues they're going to have in this theme park."

Supervisor Cardinale: "Okay. I'll take a closer look. But

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you are comfortable that we are not underselling the price at \$50,000 an acre? Underselling the property."

Jack O'Connor: "Under the current zoning, I am very comfortable."

Supervisor Cardinale: "Okay."

Jack O'Connor: "If you wanted to rezone it, that's a different story."

Supervisor Cardinale: "Well, this is not an area that we are contemplating a rezoning."

Jack O'Connor: "Right."

Supervisor Cardinale: "This is on the western part of the property and we're only contemplating a rezone on the eastern part of the property."

Okay. Anything else that you wanted to tell us to convince the Board and the public that this is a good value for the town in regard to the sale of this urban renewal district property?"

Jack O'Connor: "Well, over the past five years that I've been marketing this property, I believe that this particular venue meets all the standards, meets all the zoning. It's not 1,500 acres. It's a contained project and I think it's what the town's been looking for what they originally passed."

Supervisor Cardinale: "Thank you very much."

Jack O'Connor: "Okay."

Supervisor Cardinale: "Thanks. Charles, you may want to comment and then I want to take comment from anyone else."

Charles Cuddy: "I'll allow comment. I was just going to introduce the next speaker."

Supervisor Cardinale: "Great. You wanted to introduce-- why don't we present whoever you wish and then I'll have the public come up?"

Charles Cuddy: "I was hoping that what we could do is we could make our presentation in full and then have people- "

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Supervisor Cardinale: "That's what I wanted you to do, yes. That's great."

Charles Cuddy: "The next person I'd like to have appear here is James Anderson, who is a manager, developer of theme parks, has done this type of theme park and can talk to you about developing it and can talk to you about employment at the park."

James Anderson: "Good afternoon. I'd like to perhaps give you a little bit of my background."

Supervisor Cardinale: "Good, if you could state your name, please, and address for the record?"

James Anderson: "My name is James Anderson. I reside in Oxbridge, Massachusetts."

I'm a graduate of Springfield College in Springfield, Massachusetts in health, physical education and recreation. I've spent a good deal of my early career in education with social agencies, specifically the YMCA. Then returned to college teaching and at a point left and entered the amusement industry in the 1970's with Riverside Park in (inaudible), Massachusetts. Many of you may know it now as Six Flags, New England.

After serving there as director of operations for a period of time, I traveled overseas and developed (inaudible) as part of a mixed use venue in Jakarta, Indonesia. (Inaudible) was a large theme park, very high quality at that time, probably the outstanding facility in southeast Asia.

This project was in (inaudible) which roughly correlates to Central Park. It was 60% private investment, 40% government. The theme park was added to existing facilities that included hotel, motel, golf course, marina, seafront, an art market which represented native art from throughout Indonesia. For those of you that may not be familiar with Indonesia, it's a very diverse population spread over an (inaudible) of 17,000 islands.

After being there for a number of years, my main responsibility was to oversee the final stages of construction, to recruit, train a native operating staff, and then at that point to return to America.

After completing that project, I was involved for a short time in (inaudible), Spain, with a project called Cherry World that was developed- started to develop there, was never completed. I then

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moved on and developed a water park in (inaudible). This was at the time the largest water park facility in Taiwan. The name of the facility was Formosa Wonder World.

At that point, I returned to the United States and have been involved in smaller projects here in the amusement industry.

I've been a member of the International Association of Amusement Parks and Attractions and the World Water Park Association for a number of years.

I've been contacted just about a year ago about the potential of this project and I've been asked to come today to talk a little bit about the background and what I foresee as the employment opportunities involved.

Based on the feasibility study, we see a first year employment revenue-- of employment dollars in excess of \$10,000,000. This would include the staff of the hotel, restaurants, cart facility and the theme park. This does not include the housekeeping staff of the hotel.

There would be approximately in the theme park, 32 full time employees; and approximately 400 seasonal employees. After that, it gives you an idea of what we see as the impact in that area. I'd also like to point out that very typically in the industry, for example at Riverside, for every dollar that we brought into the area directly into the park, we had at least a matching dollar in the local economy. And for those of you that know Agwam, Massachusetts, it's a very small community and so the park, originally an amusement park, now a theme park, has a tremendous effect on the economy and a positive effect in my mind on the local economy.

From that point, I'd be available for questions, but- "

Supervisor Cardinale: "Would you anticipate being the theme park manager? Would that be your role?"

James Anderson: "That's what we've-- been discussed at this point. As I said I've come in today as a speaker on just the terms of where we are at this point.

I think I have a rather unusual background. Normally in this country when parks are developed, it's done by a company with multiple employees. My experience has been unusual in the sense that because I've gone overseas, I've been in a situation where I've been the only (inaudible) and dealt with a completely native staff. In

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Indonesia, it required to speak (inaudible). In China, I was only about to master about 200 words of Mandarin, but I learned how to say this is good and this is no good and that managed to get the project done."

Supervisor Cardinale: "It should be easier in Riverhead- "

James Anderson: "Right."

Supervisor Cardinale: "-- although our eastern accent can sometimes be a problem."

James Anderson: "Well, I grew up in New Jersey, so we won't hold that against you."

Supervisor Cardinale: "The other question, you had mentioned a feasibility study which I had discussed with Charles as well. This Board has not seen that feasibility study. I know the RDC did. It would be helpful if that study was made available. So I wanted to say that publicly because I think the public and the Board needs more information. So if that is possible, we'd like to see it."

And, finally, you also mentioned a theme park and distinguished it from an amusement park. Is this going to be a theme park or an amusement park? And if a theme park, what is its theme?"

James Anderson: "Well, typically your-- I haven't- obviously the architectural work isn't done, the theme areas of the park. This is a mid-size park. This is not going to be the size of Six Flags, New England, or Great Adventure. This is very much-- will be a regional attraction."

And part of it is that you've got the hotel conference and the other facilities so it becomes a mixed venue and certainly I think the very, you know, the best positive world of this is that you've also got retail outlets in the area which help do something that- we're doing more- I've actually had more experience in Asia than here, and in Asia, we are now doing a complete integration of retail, entertainment, and hospitality altogether so that you have a place like in Korea, a Wonder World there."

They have almost 2,000,000- 2 billion dollar investment but it has a large shopping area, I mean very large. Indoor entertainment center, indoor water park, outdoor park, an outdoor water park, but it's a mixed venue."

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Supervisor Cardinale: "Yeah. Now, the- Rose had asked again, we wanted to get a sense for the public and for ourselves of whether- what the theme of this particular park will be and the reason is because we want to get our arms around exactly- and that's been the toughest thing for the Board, exactly what we can anticipate- "

James Anderson: "Well, my short conversation with Ira West which involved architect, is that it's an American history type thing. The development that I had, and, you know, each park is a little different. But normally what you're doing is trying to take a section of the park, give it a theme or segment. It's like a chapter of a book, and then improve it along the line.

What you're avoiding is, it's - in the industry we'd say it's a softer entertainment complex than the amusement parks that we grew up with. The amusement parks were kind of an American specialty. They were really trolley parks at the end of a trolley line. And they were very much geared towards teen, very young adult. This park is going to be family oriented so the pre-teen and family concept is much more important. You're not looking at the world's fastest, tallest roller coaster and so forth. As I said, this is softer. You have a softer mix of entertainment through the park."

Supervisor Cardinale: "The reason- I see certain members of the public are- need to be reassured that this is a theme park family entertainment center and not a carnival or a circus which coincidentally are zoned for that area and we want to make sure that this is not that."

James Anderson: "Well, even the pricing approach, this- the pricing we're looking at here is a pay one price which, you know, puts the emphasis on qualifying your guests."

Supervisor Cardinale: "Right."

James Anderson: "In other words, when I grew up in northern Jersey, and it was a Friday night and you had nothing to do, you'd go hang out at Palisades Park or Olympic Park and that's what we avoid by having a pay one price. You're really qualifying a guest. You're not going to have people just hanging around which doesn't give you the proper atmosphere you want for a family entertainment center."

Supervisor Cardinale: "Thank you."

Councilwoman Sanders: "I have another question."

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Supervisor Cardinale: "Yes, Rose."

Councilwoman Sanders: "Mr. Anderson, you are the theme park manager while the park is under construction as well as upon completion?"

James Anderson: "Right."

Councilwoman Sanders: "Or only one of the phases."

James Anderson: "At this point, certainly- we're speculating, but that's the role I play is come in prior to the opening because it's very important that you get off, you know, on the right foot, because you have to do promotional development work before the park ever opens. And one of the things in the park industry is you must open when you say you are going to open. And so it becomes imperative in my mind that the operating management be involved in the construction so that they know, they have their handle on when the park is going to be ready for the public to attend."

Councilwoman Sanders: "And as the theme park manager, are you required to be local, on site?"

James Anderson: "Oh, yes."

Councilwoman Sanders: "Can you be theme park manager from Massachusetts?"

James Anderson: "No. I'd have to move into the area, that's for sure, you know. I've moved from country to country so I think I can make it from state to state."

Supervisor Cardinale: "Yes, Barbara."

Councilwoman Blass: "Mr. Anderson, sir, you're marketing history, I guess, or investigation. What was determined to be your catchment area and have you had any experience on determining the return visit, how long it would take for someone to want to return to visit the facility?"

James Anderson: "There are some guidelines in the industry. Generally speaking, we say that the average family, now that takes everybody into- visits the park at least once every three years. Okay? Which- that includes, you know, those of us like myself that are a little bit mature for the rides and the attractions these days, but we looked at the market study that I saw, by the way, it's from

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ECS which is one of the most notable groups in the industry. There's two, really, that stand out in the area of feasibility studies, and I like them because they tend to be on the conservative side. They project a market of about seven million plus in Long Island.

They see Long Island as a market because you see New York City as a barrier. The people aren't generally going to come from northern New Jersey to cross. I've had some experience with the Six Flags organization. One of the reasons they were happy to acquire Riverside Park was that New York was a barrier even for people from Connecticut to go to Great Adventure in New Jersey, so that you'd be looking at your primary market being Suffolk County and then secondary Nassau, and then your tertiary would be into Queens."

Councilwoman Blass: "At what point in this process would it be appropriate for us to review your marketing information? Because if we're talking about the viability of a project like this as being part of a criteria for sponsorship or sale of property to you, I would hope that we'd be able to review some of your marketing data?"

James Anderson: "I really think that's a question somebody else should answer."

Councilwoman Blass: "Okay."

James Anderson: "I- you know, I didn't solicit the study. But I've looked at it and I've told people that it, to me it's a solid study, perhaps a little on the conservative side, but believe me, that's the way to go because this industry, you know, you need to be very careful that you have the proper investment made.

Just for general knowledge, I don't know if this might answer some questions for you. Historically in this industry, we did feasibility studies that were yes and no. And when I say historically, I'm talking the 1970's when I entered the amusement industry.

What has happened since then is the studies have been refined and the better companies that prepare your feasibility studies say this is the warranted investment. Based on your market and in this area, you should build this size phase one and then if you're going to expand this size later and so forth. So that they're trying to key that you have the proper size facility to meet your entertainment requirement because the experience in a park that people have is units of entertainment, how many units of entertainment can they have.

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And that's into the mix for us in developing a park, is how long a length of stay do we need? We're trying to plan how many meals we're going to provide for people and snacks, how many rides. Something that you might identify with is if you have one and a half to two attractions per hour, that will satisfy you. If you go to less, we are down to one or less attractions per hour, you're not very happy because you are spending 45 minutes plus in line, so that part of this feasibility takes that into consideration.

The size of the market, how much- how many units of entertainment we must provide per hour for the people."

Supervisor Cardinale: "The feasibility study you refer to, you reviewed it. What- did it- what did it study? We've talked about a theme park. Did it study, for example, the hotel aspect of this?"

James Anderson: "I have not reviewed the hotel aspect other than the consolidation sheet which projected the employment opportunities in the hotel complex."

Supervisor Cardinale: "I- am I to understand that you are expert only in the theme park segment of this?"

James Anderson: "I- in this Indonesian project, as I tried to mention, I had multiple facilities. But I did not handle the day to day operation of the hotel. What I handled there was a review of the performance of the hotel."

Supervisor Cardinale: "But the feasibility study for the theme park that you've alluded to, apparently did not study the feasibility of the hotel or conference center?"

James Anderson: "They have a separate- I believe we have a separate study for the hotel element."

Supervisor Cardinale: "All right. Because it's important to the town that the project be as indicated in the initial remarks, driven by the hotel conference center. I've- we would be hesitant to approve a theme park without the hotel conference center component. In fact, we wouldn't. I don't think there are three votes to approve it without it.

So I'm very- is there anybody on the staff that would be expert in the hotel concept, the hotel conference center concept, and any studies related to that?"

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James Anderson: "I haven't got- I have not seen the study for the hotel on this. I have run, you know, a complex that included the hotel performance but this was more tourist oriented in Indonesia."

Supervisor Cardinale: "What is the- you indicated there was a study- the does indicate a warranted investment at least in so far as the theme park. What is that?"

James Anderson: "I don't have the numbers in front of me. But what a warranted investment is, is basically- is telling that, you know, this is the cost of the facility and that you're going to be able to meet your debt service and so forth with a project income. And those numbers are covered, but- "

Supervisor Cardinale: "One of the things that we do not have yet and we will need, is the extent of- we've heard the term of 70 million as the overall investment. We understand- or I understand and now the Board will because I discussed it with the attorney, that 7 million and change would be the land investment but that there would be 60 and 3 million in construction. I don't know the-I do not know the distribution of that 63 million investment between the theme park component and the hotel conference center component. I'd like to. Okay? Good."

James Anderson: "Somebody else may touch that. I've looked at those numbers but, you know, I just haven't looked at them long enough to have them committed to memory."

Supervisor Cardinale: "Understood. Would you know how long it would take to complete construction of the theme park as proposed?"

James Anderson: "Well, I would say, you know, without fast tracking, generally speaking, it's a two year process. You can fast track it and move the production. Fast tracking is that you proceed with the drawings and building at the same time rather than waiting until you have the whole thing completed and extended."

Supervisor Cardinale: "Thank you. Charles, I know that when we discussed this previously, there are five principal investors and I have their names here. Are they present with us- "

Charles Cuddy: "They are and Mr. Perlman will be the next speaker. Jeffrey Perlman- "

Supervisor Cardinale: "Is one of them."

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Charles Cuddy: "-- is one of them. That's right. And he, I think, can answer some of the questions that you posed."

Supervisor Cardinale: "Great. Thank you."

Jeff Perlman: "My name is Jeff Perlman. I live in New City, New York, which is in Rockland County. I'm a certified public accountant. I have worked in both public and private accounting for approximately 40 years."

The question that I'm to answer today deals with the DBH Brokerhouse which is a multi-faceted investment brokerage firm with a banker's license which has approximately 400,000 clients worldwide. This company has a corresponding bank called Harris Trust and Savings in Chicago. The company, Brokerhouse, has underwritten a number of large malls and shopping centers in Chicago, Illinois; Orlando, Florida; Texas, the east coast of America, as well as five star hotels, commercial ventures in Germany.

The key to their lending is that their investors can get interest free of taxes on the money as long as their money is put aside for investments in excess of 10 years. It winds up being a very lovely tax advantage for these people.

As you are aware, we've had several commitments and we now have a new commitment which will expire on May 15, 2004, in the amount of \$90,000,000. At this moment in time, we are projecting the theme park to run about \$45,000,000; the hotel between 20 to \$25,000,000; the go carting about \$5,000,000; and the convention center, we still don't have that information yet established.

We can have the study done on the hotel- the convention center done shortly, that's already been discussed with ECS and Mr. Don Stewart.

This project unfortunately has gone a lot longer than most expected, and I'm sure there's concern on the Board there with regard to whether we have any other financing available. Let me assure you that we are in discussions right now with a bond company from contacts in Florida and other banks. So in case there is a problem, we do have accessibility to other sources of revenues."

Supervisor Cardinale: "The- let's assume this is a \$70,000,000 project- "

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Jeff Perlman: "It's more."

Supervisor Cardinale: "-- or more, what is the capital to be invested by the five investors and FRP Development Corp."

Jeff Perlman: "We will have invested about a million five."

Supervisor Cardinale: "Total?"

Jeff Perlman: "That's correct."

Supervisor Cardinale: "Isn't that a relatively small amount of capital to invest in this kind of a project? Most banks, unless you have some extraordinary ones, I would think would be hesitant to invest that percentage, 68.5, against a 1.5 capital."

Jeff Perlman: "Well, what you have to understand is that whether it's brokerhouse or bond company, they're looking at land asset based financing, knowing that the land has a certain value and upon the completion of the project, you will certainly cover their cost of the investment."

Supervisor Cardinale: "Well, assuming that you're buying, which we have to ascertain the value of the land at fair market value, and assuming that they will fund some percentage of the construction costs and the land value which we believe to be fair market value, it surprises me that you would anticipate 68 and a half over 70 say in financing. It just doesn't compute with what my experience is in the private sector."

In other words, I just don't understand. If a bank in this area will only give you 70% of the value of your vacant land, if you're buying vacant land, why would they- why would this bank do what it's proposing- what you're proposing it would do?"

Jeff Perlman: "The discussion we've had with both the bonding company as well as the banks, they want this deal. The most important part is that the bank wants introduction into the United States market, especially on the east coast greater than it was before. So they're exploring that alternative and they're willing to do this at the rate which will run anywhere between eight and 12%."

Supervisor Cardinale: "You indicated that the- in regard to the commitment that you refer to, we- Charles and I had a discussion on that, that isn't- if we were to enter contract which would be the next step after this hearing, to proceed to a contract, would you

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seek a financing condition in that contract or are you comfortable enough that the funds have been committed and you would not seek a financing commitment?"

Jeff Perlman: "The agreement that we have spells out the provisions of that loan, the commitment. It indicates the various items that have to be met to satisfy their investment of the 90 million dollars. I'm not looking for another financial commitment. It's basically inclusive in the agreement."

Supervisor Cardinale: "So that if- I've seen the- I guess the key to this to my inquiry is and we discussed this, Charles and I, if, in fact, we offered a contract, would you be willing to sign a cash contract. Assuming that you get these approvals, you will purchase the property at the indicated price."

Jeff Perlman: "The price is what- seven and a half million dollars. It's going to take a certain amount of money to do the various studies. We will have the \$7,000,000 available at the time of closing."

Supervisor Cardinale: "But it won't be- "

Jeff Perlman: "All cash deal."

Supervisor Cardinale: "Yeah, but it- but that money would require the bank to come up with- the seven and a half would include the six million of bank money."

Jeff Perlman: (Inaudible)

Supervisor Cardinale: "From what you're telling me."

Jeff Perlman: "We have that already available."

Supervisor Cardinale: "I've got to know your bank. I just- it just surprises me that they would be willing to take that kind of a risk. Are they going to be equity participants here?"

Jeff Perlman: "No."

Supervisor Cardinale: "Then they- and the interest rate is eight to 12%. That might explain it."

Jeff Perlman: "They will be putting one of their members on the board to oversee the obligations."

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Supervisor Cardinale: "That will be Mr. Kopp (phonetic), right?"

Jeff Perlman: "That's correct. Mr. Robert Kopp. Which is typical in their type of business transactions to make sure everything is done properly and to ensure their investment in this operation."

Supervisor Cardinale: "The approvals that are condition on the commitment letter that I have seen, are all the approvals necessary to get what I would call the critical path of approvals necessary to get from here to in the ground building, so that if any contract that you sign or any option agreement that you sign, would have to be conditioned upon all those approvals and only at that time would you be prepared to move forward with the closing. Is that basically what you are saying?"

Jeff Perlman: "That is correct."

Supervisor Cardinale: "Okay, thank you."

Councilwoman Blass: "I have a question."

Supervisor Cardinale: "Yeah, there are a couple questions, some Board members that I can pose.

The five partner- five individuals that are investors who I understand to be Robert Kopp, who is the bank representative; Mitchell Greenhill (phonetic); Jeff Perlman, yourself; (inaudible) Grover; and Shelton Freiland (phonetic), how did they come together as an investment group? Were they solicited? Were they people that had previously worked projects together? Is it a private solicitation? Is it a public solicitation?"

Jeff Perlman: "My accounting firm has been in business about 28 years- 27, 28 years. Mr. Grover has worked for me last 12 years. We have been involved in a number of ventures. He's one of my partners."

Supervisor Cardinale: "Okay."

Jeff Perlman: "Mr. Shelley Freiland I met about 30 odd years ago when I was teaching at Kingsborough Community College and I kept in contact with him. Mitch Greenhill, I believe has been involved and has had conversations with Mr. Shelley Freidman (phonetic).

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Mitch Greenhill also is very well familiar with Bobby Kopp and has had transaction with him overseas. So apparently the five of us determined that this was going to be a worthwhile adventure and we came together for that purpose."

Supervisor Cardinale: "Just- from- that you came together as five individuals. There was no formal solicitation or any private offering or public offering associated- "

Jeff Perlman: "No public offering."

Supervisor Cardinale: "Private offering?"

Jeff Perlman: "No. There was- we know each other indirectly through contacts and basically we felt each one has a specialty they bring to the table and that's another reason why the five of us have gotten together."

Supervisor Cardinale: "The experience of these investors in similar projects. Has anyone ever been- before invested or have they participants in an investor group that put together a hotel conference center them park complex?"

Jeff Perlman: "I don't know about the- Mitch Greenhill. I do know that I have no experience in the hotel industry. I have been involved in the restaurant industry and have worked for both private and public accounting places. So certainly with the hiring of the proper qualified individual like Mr. Anderson, this can become a viable product."

Supervisor Cardinale: "FRP Development Corp. shareholders, are there- is there anyone else other than those five?"

Jeff Perlman: "The five- four of the five are here."

Supervisor Cardinale: "But those- "

Jeff Perlman: "No, three of the five are here."

Supervisor Cardinale: "But those are the only shareholders, the ones that I mentioned?"

Jeff Perlman: "At this moment, that's correct, sir."

Supervisor Cardinale: "Okay. And they've done previous development projects, FRP?"

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Jeff Perlman: "Well, I guess that you have to approach Mr. Friedland and Mr. Greenhill on that issue."

Supervisor Cardinale: "Okay. You haven't done one then with FRP but others may have, others of the group?"

Jeff Perlman: "Possibly yes. I have been involved in some real estate holdings, rehabilitation in Manhattan."

Supervisor Cardinale: "When was the corporation formed?"

Jeff Perlman: "About two years ago. Two and a half years ago."

Supervisor Cardinale: "So it hasn't been involved in too many because it's been relatively recent."

Jeff Perlman: "Well the original concept was we were going to explore the- a property in Old Field, Long Island, and build houses. Apparently after the seller decided to keep on changing the price structure, through (inaudible), we wound up out here in Riverhead."

Supervisor Cardinale: "Would you- if we were to enter a contract, would you object to it being non-assignable, that you would have to complete the project to fruition and not assign the contract?"

Jeff Perlman: "I have no problem on that. I think Mitch Greenhill will answer that question a little more in detail."

Supervisor Cardinale: "Okay. There are a number of- I don't want to get too far into contract conditions in any event because this is- Charles and I and the Board will be discussing them, but there- what is important to the town is that within the contract there be delineated clearly the nature of the project and that there be an assurance that the project would be built as promised to the quality standards, to the- to the not only to quality but to the use that we understand.

We do not want to see, for example, a theme park built but not a hotel conference center. That would be inconsistent with our urban renewal plan up there. So if you anticipate any problems along that line, we should really get that out early."

Jeff Perlman: "No, we don't. As spelled out in Mr. Cuddy's

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conversations, it's going to be the hotel, the convention, the theme park and the go cart, those four items."

Supervisor Cardinale: "How large a hotel did you have in mind?"

Jeff Perlman: "Well, we discussed a 200 room hotel."

Supervisor Cardinale: "Okay. I am not knowledgeable in regard to convention centers but someone had indicated to me who is that there's a critical mass, a necessary number of rooms in order to make a convention center viable and I assume that I would see some reference to that in a feasibility study, but from what I understand we haven't yet- we do not have a feasibility study in regard to the hotel conference center yet."

Jeff Perlman: "That's correct."

Supervisor Cardinale: "Okay."

Jeff Perlman: "With regard to possible expansion, that has been mentioned but not to the point of what to do with that type of expansion."

Supervisor Cardinale: "Okay. Thank you. Any questions from other Board members? I tried to cover the few that someone handed me here."

Councilwoman Blass: "I just wanted to clarify, there are two separate entities, the hotel and then a convention center? I think initially I was led to- is it the same--"

Jeff Perlman: "It's together."

Councilwoman Blass: "Oh, okay."

Jeff Perlman: "There is a separation but it's together. There will be either an underground tunnel or some type of walkway between the hotel and the convention center."

Councilwoman Blass: "Okay, thank you."

Jeff Perlman: "Thank you."

Charles Cuddy: "I think that Mitchell Greenhill is here, who is an attorney also."

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Supervisor Cardinale: "Okay, yes, that's one of the investors, right."

Charles Cuddy: "And Mr. Friedland is here also so it should be noted on the record. But I think in response to a couple of the questions, Mr. Greenhill can answer them."

Supervisor Cardinale: "Yes, thank you."

Mitchell Greenhill: "Good afternoon to the Board and the Supervisor. My name is Mitchell Greenhill. I reside currently in Ritchfield, Connecticut. Although I grew up in Long Island and my parents still live in Long Island, so I'm very much affiliated with Long Island.

I have a background with large corporations, a major law firm, and a major accounting firm and the last several years handling primarily international taxation, international business.

And to answer one of the questions that was raised earlier, I've been in a relationship and I've known Bobby Kopp for period of years and have worked with him on a personal basis and a professional basis as well. And the brokerhouse offers a substantial offer, significant offer, and we take it at face value, as a strong offer that we have financing in place currently.

And the longer we wait, the longer we delay in getting this approval, there's a possibility that that financing may dry up. That's always a risk that exists with delays and circumstances that extend beyond the normal expectation. Like any other commitment."

Supervisor Cardinale: "The- would you consider the commitment that you have to be a firm commitment?"

Mitchell Greenhill: "Absolutely. It's a firm commitment, we have it in writing. It's the numbers that we discussed today and it's valid for a significant period of time but it's not open-ended."

Supervisor Cardinale: "Do you have- since we know already that even if we were to convene the hearing to the next April 6th and close it on April 16th as is presently contemplated and then engage in a contract negotiation of two weeks, we'd be in May, and we know it's going to take two years to get the approvals that are contemplated by your commitment letter, do you have a commitment that's going to last two years and two months?"

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Mitchell Greenhill: "Well, when you say two years, you mean each of the steps that need to be satisfied as you move forward?"

Supervisor Cardinale: "Yes."

Mitchell Greenhill: "Yes, that commitment- what we're talking about is a contract, commitment up until the contract date with certain provisos, certain circumstances that are included in there."

Supervisor Cardinale: "Up through the contract date."

Mitchell Greenhill: "The contract date and then beyond as we meet certain parameters that are in the agreement."

Supervisor Cardinale: "Well, one of the things that happens on Long Island as you may have observed, is that things do not get done as quickly as one would hope so that you have to create subdistricts up there, which is probably not that difficult. You also have to get a subdivision of your land. You have to go through this town, the Health Department, the DEC. You also have to once you've done that, get through the approval process for building permits.

If you've spoken to Mr. Burman, I think he'll share with you his frustrations. My concern is that we get down this path and your financing disappears."

Mitchell Greenhill: "You know, all those are within the realm of expectation and they are all reasonable. We understand that. It's the unexpected, the delays which are unexpected, which cause a concern up until the approval of the Town Board. We're talking a short term as opposed to a long term.

As you know, we've already waited several months and that's what I'm referring to. We just want to make sure this moves forward in a reasonable pace, that's all."

Supervisor Cardinale: "Right."

Mitchell Greenhill: "I think everybody understands that."

Supervisor Cardinale: "Okay. The-- there were a couple of questions about the previous development experience of the group of investors, Mr. Kopp, Mr. Greenhill, yourself, Jeff Perlman we just heard from, (inaudible) Grover and Shelton Friedland, none of you have developed a hotel theme park conference previously although you indicate you'll have expertise come in. All of- "

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Mitchell Greenhill: "I should- I just want to add for myself."

Supervisor Cardinale: "Yes."

Mitchell Greenhill: "I do have experience with three very large clients. I'm not at liberty to tell the names of those clients, but they are major worldwide, national affiliates who have hotel enterprises. They've been clients of mine in my law firm days and my public accounting days. So I have done-- I have worked with three of those- three of those major operations so far."

Supervisor Cardinale: "The equity participants of FRP Development Corp. are the five individuals we've discussed."

Mitchell Greenhill: "That's right."

Supervisor Cardinale: "The extent of the investment appears to be \$300,000 from each of the individuals."

Mitchell Greenhill: "Well, it's a total of 1.5 million- "

Supervisor Cardinale: "One point five million."

Mitchell Greenhill: "-- it's differentiating."

Supervisor Cardinale: "As an attorney and experienced in the business world, can you explain how it is that this bank is going to finance such a great proportion of this project without further private capital investment?"

Mitchell Greenhill: "Sure. The bank as part of its normal process, due process, goes through a- goes through the investment itself, makes a determination that Bobby Kopp and his team- as Jeff Perlman mentioned before, this is a bank of some substance and some significance. And their due diligence. They've done the work, the preliminary work, and we've taken them through some of the steps that need to be done.

And the fact that, as you said 68 and a half million is coming from bank financing out of a 70 total, is within the realm of expectations of some banks. They have other- as Jeff mentioned, they have an interest in coming to the US market so that they're willing to take a little more of a risk than perhaps another bank would.

But the fact that financing- and there are other investments out there that are completely 100% financed. In my experience with large

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corporations, I've seen that financing come from banks up to 100% without asking any financing from the entity itself."

Supervisor Cardinale: "I would assume they would ask for personal guarantees though."

Mitchell Greenhill: "Corporate guarantees you mean?"

Supervisor Cardinale: "No. I mean personal guarantees because the corporation was just funded, from what I understand, I should ask that question. Does FRP have any capital itself?"

Mitchell Greenhill: "FRP has an investment account."

Supervisor Cardinale: "So do I, but what's in it?"

Mitchell Greenhill: "Well, yeah, I was going to say, that's a private matter that- "

Supervisor Cardinale: "Well, no, it isn't. Because we need to make sure that the people we're dealing with can do this urban renewal project. And what I'm really getting at here, I don't want to be prying, is that we have in the past received from a group that did not get a project that they were looking to get, a letter that said in effect that their bank had a lot of money and would make it available to the right- at the right terms.

Well, that's not what the purpose of this hearing is. I need to know that the people that I'm dealing with as the Supervisor and the Board needs to know, that they're substantial because the deal isn't with the bank, it's with FRP."

Mitchell Greenhill: "Right. The 1.5 million dollars are there, they're accounted for. It's in the bank account, ready to be distributed. So that money is there. The individual- and I can certainly only speak for myself of significant means, so personal, I don't think anybody would want to give a personal guarantee, but- "

Supervisor Cardinale: "I wouldn't either. But I was wondering if the bank would require it in view of- "

Mitchell Greenhill: "They (inaudible)."

Supervisor Cardinale: "They haven't yet?"

Mitchell Greenhill: "That's right."

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Supervisor Cardinale: "Is it a 70 million or 90 million dollar project?"

Mitchell Greenhill: "Seventy at this time."

Supervisor Cardinale: "Okay."

Mitchell Greenhill: "It may, as Jeff said, yeah, it's expanded. I believe it's actually expanded to 90."

Supervisor Cardinale: "Okay."

Mitchell Greenhill: "Okay."

Supervisor Cardinale: "I wish you well. I do want a convention center and hotel out there and I'd like a classy theme park. It just honestly strikes me as great financing. I can't get- I can't get, you know 70% on vacant land so I don't understand how you're getting 98%."

Supervisor Cardinale: "Yes."

Mitchell Greenhill: "Well, you touched on it, the 8 to 12% is one way. They've done the research. They've done, as I said, they're a substantial bank, they've done the due diligence and they're comfortable with that information."

Supervisor Cardinale: "How- just to carry the money as they advance it is going to cost you more than a million and a half."

Mitchell Greenhill: "Well, they're not giving us seven million up front. It's going to be periodically as the needs arise."

Supervisor Cardinale: "Yes. But I mean as you carry- you're going to have to construct before you- you would have to construct in order to get it open."

Mitchell Greenhill: "Right. That's right."

Supervisor Cardinale: "So- "

Mitchell Greenhill: "But not everything will be done at once."

Supervisor Cardinale: "So let's say you're going to advance 70 million over two years, okay. Let's say the average is going to be

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35 million over those two years that will be out. The interest at 10% on 35 million is 3 and a half million dollars and you only have a million and a half. Where is the rest coming from?"

Mitchell Greenhill: "Yeah, I was going to say two years are exempt in- I'll let-"

Supervisor Cardinale: "No interest?"

Mitchell Greenhill: "Jeff, do you want to answer that?"

Supervisor Cardinale: "You understand what I'm saying? As you construct."

Jeff Perlman: "There is no interest the first two years."

Supervisor Cardinale: "I like your bank."

Mitchell Greenhill: "But it does accrue."

Jeff Perlman: (Inaudible)

Supervisor Cardinale: "Yeah, I understand."

Jeff Perlman: "This way the least we have some time to pay the interest (inaudible), not principal."

Supervisor Cardinale: "Okay. Only interest is waived, of course."

Mitchell Greenhill: "The interest accrues, of course."

Supervisor Cardinale: "And it accrues and you pay it at the back end assuming you're successful. If you're not, your bank's going to be in the entertainment business. So we might have a German bank up there. What is the name of the bank, again?"

Mitchell Greenhill: "Brokerhouse."

Supervisor Cardinale: "Brokerhouse. And it's a German bank."

Mitchell Greenhill: "German bank."

Supervisor Cardinale: "With a US affiliate?"

Mitchell Greenhill: "With a US affiliate, that's right."

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Councilwoman Sanders: "There have been two amounts mentioned, \$70 million and \$90 million. Is there- one of the numbers correct, or is- "

Mitchell Greenhill: "The number 90 is correct. Seventy was my misstatement."

Supervisor Cardinale: "So if they advance 90, and you will have a million and a half, they're going to be very deeply into this project two years from now."

Mitchell Greenhill: "Yes."

Jeff Perlman: "Up to 90 million dollars."

Supervisor Cardinale: "Right. I understand."

Mitchell Greenhill: "Right. So it could be less than that."

Jeff Perlman: "We have a contingency factor in case the costs overrun which usually is expected in the industry, have the availability."

Mitchell Greenhill: "Right. We expect 70 but we have the ability to finance up to 90."

Supervisor Cardinale: "Okay."

Councilman Densieski: "Just considering the fact that this is a public hearing, I really think these comments should be made at the microphone."

Supervisor Cardinale: "Yes. I'm sorry. You're right. Yeah. Mr. Pearlman if you want to add something, just- they want to get it on the record. There's a tape."

Jeff Perlman: "The commitment is for 90 million- up to 90 million dollars. In this industry there are- there can be cost overruns and so in anticipation of that, we've got the cushion of 20 million dollars. Because as we proceed with the various figures on the actual cost, we will have a better light as to what the costs of each- what each division will be. The theme park, the go carts, the hotel which could be anywhere from 22 to 25 million and the convention center."

Supervisor Cardinale: "If this does- if the bank is waiving interest the first two years, picking eight to 12 thereafter, once

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you get operated you hope, if that all happens and they're not an equity participant, what's in it for the bank?"

Jeff Perlman: "Well, first of all, the bank is concerned about its investors, number one."

Supervisor Cardinale: "Yeah, I would be to."

Jeff Perlman: "They're going to give a certain amount of that interest to the investors and they're going to take a certain amount. Their investors are going to have this money and back them tax free and that's a major plus to the investor, whether it's going to be 4% or 8% or 6%, I have no idea of what the spread is between what the bank gets and what the investor gets."

Supervisor Cardinale: "Tax free in Germany or- "

Jeff Perlman: "In Germany."

Supervisor Cardinale: "I- if the first two years are no interest and if we are successful in moving this along and they advance an average of zero at the beginning, 70 at the end, so that we have 35 million on average out, they will be- you'll be into them for \$7 million dollars in interest plus- on the 70 million- \$9 million dollars in interest at 10%, plus the 90, so you'll owe them \$100 million dollars by the time this is done and they won't have seen any money. This is a risky enterprise, theme park and hotel conference center, as I understand it. Why would they do that? I just- I don't follow this."

Jeff Perlman: "You've lost me on the \$90 million dollars."

Supervisor Cardinale: "Okay. If you borrow- if you're borrowing- let's assume we were through, we get through the hearing, we get into contract, and we go through two years before the buildings are up and you can do business. At that point, they will have advanced up to \$90 million dollars. You've indicated they have waived interest for the first two years."

Jeff Perlman: "Two years, that's correct."

Supervisor Cardinale: "If there was an average of- if there was zero in the beginning and 90 at the end, if we take an average of \$45 million balance outstanding- "

Jeff Perlman: "Let's take 10%."

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Supervisor Cardinale: "Well, at 10%. That's four and a half million each."

Jeff Perlman: "That's \$9,000.000."

Supervisor Cardinale: "Right. So it would be- you would be into them for \$99 million dollars and that- "

Jeff Perlman: "Nine million."

Supervisor Cardinale: "No, \$9 million in interest; \$90 million in principal."

Jeff Perlman: "Right."

Supervisor Cardinale: "If it doesn't work, why would they do this? If it doesn't work, they're going to have a \$99 million dollar investment with no return at that moment, except what they can grab out of the theme park that is arguably in trouble."

Jeff Perlman: "They went through all the studies and they think it's a viable product and we also think it's viable. Otherwise they would not have explored this. So they're going to take the risk, again, their interest rate is quite high compared to the rates in the US."

Supervisor Cardinale: "But they're not an equity participant?"

Jeff Perlman: "That's correct. They are not."

Supervisor Cardinale: "They are- they're in it for the interest which is tax free because of their rules."

Jeff Perlman: "Right. Not tax free- that's a big number when you realize what some of these investors are worth worldwide."

Supervisor Cardinale: "Not to mention, you're carrying- how do you carry a project at 10%? You have to sell a lot of tickets."

Jeff Perlman: "You have to come several times then."

Supervisor Cardinale: "Yeah, I guess. Okay. Anybody have a question that I- yes, counsel has a question in regard- Mr. Pearlman, what is- you mentioned or earlier there was mention, the warranted investment recommended by the feasibility study. Is that at the \$90 million dollar figure?"

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Jeff Perlman: "Ninety million dollars, that's correct."

Supervisor Cardinale: "Which would be for both hotel conference center and- "

Jeff Perlman: "Everything."

Supervisor Cardinale: "And- but the feasibility study- "

Jeff Perlman: "We have to run a feasibility study for the hotel and the conference center. That will be done shortly."

Supervisor Cardinale: "Okay. So we don't know what the warranted investment is for the entire project?"

Jeff Perlman: "Well, we have- we've consulted several hotel specialists. We were told some numbers. Originally the park was scheduled for 40, 45 million dollars. The hotel roughly 25. The go carting 5. So putting those numbers together, the 90 million was certainly enough money to cover the convention center as well. Once the study is completed, we'll have a more updated analysis and I'm sure it will come under the amount of money allotted under the 90 million dollar commitment."

Supervisor Cardinale: "In other words, the warranted investment that was alluded to earlier could only relate to that investment warranted in regard to the theme park because you've not yet done the feasibility on the- they may- my point, I guess is this.

What about if the feasibility study says you've got to- that you can't support 200 or 300 rooms? Then I presume they're not going to fund, the bank, 300 rooms. They're going to fund 75 if that's what they think is warranted."

Jeff Perlman: "The numbers that we have for the 200 room hotel was figured at somewhat between 20 and 25 million dollars. That's why the 90 million dollar commitment, was-- originally was 70. Was raised to 90 for the added cushion of the hotel and of the go carting and probably of the convention center as well, which we will have shortly."

Supervisor Cardinale: "What info- when you got the letter that you have shown us from the bank, what did you have to provide the bank? Did they require- what- this is- this gets the heart of my honest confusion here. I wouldn't give you 90 million dollars from

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what I heard so you must have told them more than you told me.

So what is it that you gave to the bank prior to getting the letter back from them that indicates they'll give you this money subject to these conditions and can I see it? You know, what did you give them before they gave you the letter?"

Jeff Perlman: "We did some numbers with regard to the various sectors of this- of the park, the hotel, what it would generate, the theme park, the go carting, what type of bottom line would be generated and apparently it satisfied them for the commitment of 90 million dollars.

Again, the 90 million dollars is at the upper end. If the cost is 80 or 75, then I don't need the 90 million dollars."

Supervisor Cardinale: "Do you have the letter, Charles, that you received from the bank? Because I- there was a date that was alluded to- March- May 20th or something."

Jeff Perlman: "May 15th."

Supervisor Cardinale: "May 15th. What happens on May 15th?"

Jeff Perlman: "If we don't have some type of decision by May 15th, then I have to start talking to them about going forward. Actually, it depends upon where the town is going to be."

Supervisor Cardinale: "Let's assume that you have an option to purchase the property for an indicated sum by that date or a contract to purchase the property. You're still going to be two years or more away from the project being ready to be funded."

Jeff Perlman: "We will have money to put down as deposit. We will have money to do all the studies and get ready for the closing. During that point in time, we will be solidifying the bank commitment and seeking some advance funds so we can close on a timely basis. We're looking basically for the closing to occur less than two years down the road. Again, there's a time element here."

Supervisor Cardinale: "Yes."

Jeff Perlman: "The contract and the closing. Hopefully we can expedite that closing, you know, before the allotted time which is reflected on the original contract."

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Supervisor Cardinale: "A million that has been committed by the investors, if we did a traditional contract, seven and a half-\$725,000 of it would be in escrow. That would only leave you about \$800,000 to utilize. Can you do it with that?"

Jeff Perlman: "I'm sorry but there was a 5% deposit which was agreed to by the parties, not the 10%."

Supervisor Cardinale: "Well, 10% is traditional and I don't know who agreed to it because we're not in contract. But even assuming that minor matter of 350, you still only have a million and change. Do you- will you have- will that be sufficient to do the necessary studies, to do all the plans, to do the work preliminary?"

Mitchell Greenhill: "I was going to say- you're saying 10% of the 1.5 million, right or 10% of the 750,000. Ten percent of that is 75."

Supervisor Cardinale: "Wait, wait. The- "

Councilwoman Blass: "The down payment."

Supervisor Cardinale: "If you're buying property with 7 million, you would traditionally put up 700,000, 10%. Even if we were to accept the 5% which was apparently discussed before I got here, that would be \$375,000 or so. That would only leave you a million one or so and I'm just questioning whether that capital, I'm worrying about your capital is what I'm worried about."

Jeff Perlman: "Well, according to the numbers I discussed with Miss Albo, apparently we have money set aside for the various studies and the other work to be done by the architects, the engineers, the surveyors."

Supervisor Cardinale: "That's what I'm getting at, your soft costs, yeah."

Jeff Perlman: "That money has been put aside to spend for those respective individuals and companies."

Supervisor Cardinale: "Okay. And the extent of your investment thus far in this project?"

Jeff Perlman: "We've spent over \$100,000 so far."

Supervisor Cardinale: "Okay. Dawn, I know you asked me to inquire. Do you have any direct questions, please feel free. And

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anybody else on the board and then I'll open it up to the public."

Dawn Thomas: (Inaudible)

Supervisor Cardinale: "Yeah. The expenditure of the 100 she inquired. What was that on?"

Jeff Perlman: "We already paid preliminary studies or ECS. Mr. (inaudible) West and a few other people including the lawyers just to do charts. A lot of costs, ate up very, very quickly in the preliminary stages."

Supervisor Cardinale: "The two inquiries and then I'll open it up for any questions (inaudible). My two areas of greatest concern are so you know and Charles and I can work to alleviate mine and the Board's, are (1) the capitalization of the deal; and (2) the clarity of- and probably they're related, because I would presume that until you get into contract, you don't want to spend a lot of money. And I need to know clearly what's going to go up there if I'm going to authorize a qualified and eligible sponsor.

That's- so the two things are clearly knowing what's going up there and I can't know until you've done your study. I can't know that the hotel conference center is going to go up until I have a study that shows me that there is one. And, frankly, I'm just amazed that the bank would commit funds without seeing one. But those are the two issues: capitalization that I'm very concerned about-- capitalization; and the substance of the project. What is it?"

Charles Cuddy: "If I may just before the audience comes in. We have no problem- I'm going to answer some questions that may have remained unanswered. We have no problem making this non-assignable. We have no problem in delivering to you feasibility studies. And you and I discussed at some length, but I'm willing to discuss it again, not here."

Supervisor Cardinale: "Right."

Charles Cuddy: "About the question of capitalization and how projects like this are done and what projects I've been personally involved in similar to this project with the same capital type structure and it's not that unusual in my experience."

Supervisor Cardinale: "That it's not unusual for a bank to put 90 million- "

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Charles Cuddy: "It's not unusual for a bank to advance a significant amount more than you would anticipate from the numbers that you gave. That's right. And I- "

Supervisor Cardinale: "This is one percent capital, Charles."

Charles Cuddy: "I understand that- "

Supervisor Cardinale: "It's so little."

Charles Cuddy: "-- and I've said to you I've been involved in exactly a situation like that and I told you where it was and you can look at the numbers and see."

Supervisor Cardinale: "Oh, yes. You did. Yeah."

Charles Cuddy: "And it was from a European bank."

Supervisor Cardinale: "But they owned the land, didn't they?"

Charles Cuddy: "And I will be- no, they had to buy the land."

Supervisor Cardinale: "Okay."

Charles Cuddy: "Same situation as this. And I'll be glad to show that to you."

Supervisor Cardinale: "Okay."

Charles Cuddy: "I just don't want to take the time."

Supervisor Cardinale: "Okay, I understand. Could be that I'm dealing with the wrong banks, folks, but maybe I'm just not in this league. Could be. Any questions? Okay, any- you're finished, Charles, with the presentation that you- all right, and you can comment further as the public comments. Yes, please, come up, Bob."

Bob Morse: "Good afternoon. Bob Morse, Baiting Hollow. This land survey was done in 2002."

Supervisor Cardinale: "October, 2002."

Bob Morse: "Yeah. Why not today's value of the value? Why two years ago? The land out here has skyrocketed. You can't build a house on a hundred thousand dollars an acre piece of property. These guys want to do a business on \$50,000 an acre property? I'd rather see it left empty than put something like that on there."

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Supervisor Cardinale: "Thank you. Art, and then- Jack, when Art finished comment, I know you want to respond on the valuation. Yes, Art."

Art Binder: "Art Binder, Baiting Hollow. We are in an election year as everybody in this room knows and it seems that number one, issue, before the American people are jobs. And as everybody in this room, I'm sure, is aware of, quality jobs are leaving this country and going abroad."

This proposal before the Town Board today has little to nothing as far as quality. It brings nothing to the table. It's a one-sided victory if it ever matured and that is a big if. And that would be for the bank in Germany. Riverhead wouldn't benefit from it. Our children wouldn't benefit, our taxpayers wouldn't benefit. Our roads wouldn't benefit. We would be struggling to market the balance of the property because I believe a project like this does more in the long run to harm the 2,000 acres in there than it would to preserve it for industrial usage.

Riverhead today at \$50,000 an acre, is beyond belief. There's a piece of property just to my west, 21 acres, that was just closed on and they're going to build 21 homes. That piece of property went for \$2.2 million dollars, for 21 homes. Relative to a commercial piece of property and I'm sure many of you on the Board know when Mr. O'Connor was here not long ago, he said that that property should go for \$150,000 an acre and then some. And I believe that's correct.

Whatever it takes this Board to do to add value to that property in essence you would be putting money into the pockets of every taxpayer in this town. And that's really what you're there for.

So I would hope you would consider this. I was very impressed with the questioning from all the board members. There's definite interest involved in making sure that what happens in the future is not happened in the past. Thank you."

Supervisor Cardinale: "Thank you, Art. Jack, did you have a comment?"

Jack O'Connor: "I'm going to try to answer both statements. Yes, I did indicate that the property if it were rezoned or industrial or commercial, it's worth \$150,000 an acre compared to what it is to the west today. Because that property is drying up."

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But I also suggested that you shouldn't take 2,000 acres and rezone 2,000 acres for industrial/commercial because it's just too much. The absorption is not there. And I recommended that this particular piece of property stay in the whatever it was, the recreation zone that was created four or five years ago.

As far as the gentleman saying that this property should be priced at more than \$50,000 an acre, I have to refute that. If it's zoned for family recreation, you could have all the comps and all the appraisals done today, tomorrow, it will still come out to the \$24,000 an acre. Why? Because there are no other comps for family recreation. Unless you decide to change the zoning, this is the price."

Supervisor Cardinale: "Thank you. Colleen."

Colleen O'Brien: "Hi, Colleen O'Brien, Aquebogue, New York. First of all, I'm an appraiser and I think reliance on an appraisal that's dated in 10 of 02 is just absolutely ludicrous. And probably doesn't adhere to (inaudible), and really should be thrown out and you should be getting a new appraisal.

Secondly, as far as the \$50,000 an acre, I almost think it's laughable. We are real estate investors. The only property that I have seen out here for sale in the last year or so is farmland with development rights sold for \$50,000 an acre.

When you're talking about putting a hotel, conference center and an amusement park on recreational- recreation to me is just verbage. It's commercial use. And we should be getting every dime out of the property that should be going this town's coffers.

Another point is I've lived south of Agwan, Massachusetts for many years and it also used to be Riverside Park. The community I lived in was a small farm community, very much like parts of Calverton. And there were traffic problems. You learned the back streets and those also became overburdened.

Lastly, I'm imploring the board, that you have a fiduciary responsibility to the taxpayers of this town to maximize our investments, our assets. And if it takes rezoning to get us the money that we need to run this town and to be successful and healthy, then I implore that you do it. Thank you."

Supervisor Cardinale: "Thank you, Colleen. Larry."

Larry Oxman: "Good afternoon, Larry Ozman, with offices at

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1747 Old Country Road, Riverhead. I'm just going to say something about appraisals in general. I'm in the real estate business. I don't think very much of appraisals. Basically, we know that property sells at an arm's length transaction, whatever the market will bear. And appraisals may be a guideline, but truthfully, you shouldn't rely on them that heavily.

And it kind of brings back to mind about the Burman deal. Everyone said that, well, the town gave it away. Well the truth of the matter was, I don't think anyone else was willing to buy it at that particular time.

My two cents on appraisals.

I'm trying to understand the process here today. This is for- to do what? This is just to see that the sponsors are financially able to do this project or are we also talking about the project itself?

Supervisor Cardinale: "Well, we are talking about both necessarily, but we're trying to determine and I went through the trouble to obtain from counsel a- yeah, thank you- to obtain from counsel a brief summary of the statute under Article 15 Section 507 of the General Municipal Law which I shared with Charles and case law.

And, basically, what we're trying to determine is whether this is a qualified and sponsor for an urban renewal- for a project within the urban renewal district and that would incorporate the following issues which we've discussed.

The nature of the project; the nature of the financing of the project; the investors; the economic benefit to the town; the tax revenues anticipated; the experience and expertise of the proponents of the qualified and eligible sponsors; the backgrounds of the principals. So that's what we're supposed to be exploring. Whether it's a good bet that if the town sells to these people, that project will get done for the betterment of Riverhead.

And that's why I'm concerned about, specifically, what is going to get done and how is it capitalized."

Larry Oxman: "Because I guess I have questions about the project itself, not about the gentlemen that are proposing the project. So, will there be sometime in the future- so, for instance, do we know exactly, you know, there's a map that says that's

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approximately where the location is going to be. Is that the exact location?"

Supervisor Cardinale: "That would- yeah, we will- before entering- we have discussed if we got through this hearing satisfactorily, the next step would be to negotiate- complete the negotiation of a contract or option to purchase. My inclination would be to keep the public very well informed of the progress and before- I'm going to need to have an authorization to sign anything that would get signed and the public would have additional time to comment on that.

But if you're interested in what's going to occur out there, the nature of the project, so am I, so fire away. I mean if you have questions or concerns, put them on the record now because- "

Larry Oxman: "Well, I just don't know if this is the forum to do that because, again, I thought it was more for the eligibility of the- "

Supervisor Cardinale: "The nature of the project has to be within the zoning. It is. So now the question is what kind of quality is this project going to be built with. What is the assurance that it's going to get built within a reasonable time frame. What is the experience of the people. What is the capitalization of the people.

We have made it clear that we think this project would not move forward if it didn't have a component of a hotel conference center. So, I'm curious as to, you know, I cannot- I personally have difficulty approving this project unless I saw a feasibility study for hotel conference center."

Larry Oxman: "So I guess some concerns or issues that should be addressed as to the exact location and how that complements the remainder of the property, I assume- I won't assume anything, but I guess that the project will have to adhere to the zoning that's in place currently."

Supervisor Cardinale: "That's correct. And the proposed location would be-- what is it, and that may change in the area. Fronting on 25 to the east of the area designated for the town park. How the exact shape of it is shaped ultimately, Charles and I and the board are discussing. But that's where it would be, to the immediate east presumably of the park, on-- and frontage on 25 going back toward and possibly including, depending upon its configuration, the

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7,000 foot runway."

Larry Oxman: "So the developer would enter into a contract with the town in essence to buy a portion of the property which would then have to be subdivided from- "

Supervisor Cardinale: "That's correct."

Larry Oxman: "-- the remainder. While the subdivision process is taking place, does the site plan also go simultaneously or for a subdivision then site plan. I'm just trying to understand, again."

Supervisor Cardinale: "In order for this, I can give you that very easy, the critical path to where they want to go in this project or for that matter any other project, is the following. You need to get (inaudible) by the RDC, which they did as to zoning and as to sanity, I guess. So they passed.

Then they get- they contract- the proposed contract would be in discussion and we decided a qualified sponsorship hearing, which we're having today and next week- next meeting. The next thing that's got to happen is we've got to enter a contract or option to purchase and during that period they want a contract that is conditioned upon approvals being completed.

Which would mean that they have to go through a supplemental draft environmental impact statement to study the transportation and noise among other things associated with the project. They'd have to go through a site- they'd have to go through a subdivision process. They'd have to go through subdistricting because there are subdistricts up there within the recreational zone. And they'd have to go through a site plan. And they would all be done simultaneously but we're still talking over a year. And that's the process.

And then when they were ready to pull their permit, I would expect them to close. And that's why it's critical to know we're going to get there because otherwise we're all wasting a lot of time."

Larry Oxman: "Right. I guess, will the public have an opportunity- suppose that they are indeed deemed as a qualified and eligible sponsor? Will the public have an opportunity to comment- "

Supervisor Cardinale: "Yes."

Larry Oxman: "-- on what the town is actually going to sell

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and I'm reminded of the Suffolk Theater where it seemed that they were- the sponsor of that project was indeed ultimately approved. A contract was entered into and then kind of later, I guess, the public found out the true details of that contract."

Supervisor Cardinale: "Yeah, your point is well taken. There is no contract presently on the table that has been signed- or available for signature or ready for signature of both parties. So if we move to the next step before the signing- I am authorized to sign, I would have- I would put it on for a public hearing and let the public comment on the contract and I'm sure they would comment, whatever price was in there per acre, I'm sure they would have a few things to say about it, at least that. Not to mention the time frames and the conditions.

So, yes, we would- I'm moving in the direction, frankly, in discussion with Charles of an option rather than a contract. But before we sign anything, I think a public hearing would be appropriate. Yes."

Larry Oxman: "Okay. Thank you."

Supervisor Cardinale: "Because as you point out, you don't even know exactly where the property is because we don't exactly- "

Larry Oxman: "I don't think the public does. I mean there's certainly a concept here. But to start to pin down the exact details of the deal, and, again, how this will complement or not the balance of the piece of property."

Supervisor Cardinale: "I understand. Yes."

Larry Oxman: "Thank you."

Supervisor Cardinale: "Thank you. Yes, Sid."

Sid Bail: "Sid Bail, Wading River Civic Association. I've been following this whole thing with a great deal of interest and I've had the opportunity to talk with some of the people connected with it. Jack O'Connor and Linda Albo were nice enough to come to a meeting in August and make a presentation. I've attended the work sessions, etc. And I'm still trying to wrap my hands around the nature of the project and- "

Supervisor Cardinale: "Me, too."

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Sid Bail: "-- you know, I know a few weeks ago, being a regular- nothing better to do with one's life than go to work sessions, but, yeah, it's sad. Okay. But one of the points that was made. You had asked for, I guess, some more detail, etc., and there was terms of a black, definitive black book of- "

Supervisor Cardinale: "Right."

Sid Bail: "-- information coming in and as it turned out, the book was red-- "

Supervisor Cardinale: "Yeah, here it is."

Sid Bail: "-- it was a red binder instead of a black binder but I'm not going to confuse these people misrepresentation, you know, the color of the binders. But one of the things that I believe it was you, Mr. Supervisor, mentioned that you were a little bit disappointed with the second of the hotel theme park."

Supervisor Cardinale: "It was three pages, yeah."

Sid Bail: "Three pages, it wasn't that (inaudible). So, you know, it- that- if this project was to move forward, I think the hotel theme conference center is the key and, you know, you know, I personally would like to see the theme park component, you know, be de-emphasized.

And, also, I guess- I hear this insurance from the principals, say if you- if the town went into contract, two years from now, the entire project, as contract, would be completed at the same time. We wouldn't wind up with a theme park and a hotel or a conference center that's projected to be completed at some later phase of development. Right. That's correct, that's right.

What- yes."

Supervisor Cardinale: "Charles, you were going to address the phase of the project, whether it's phased or-- "

Charles Cuddy: "It would be completed not two years from now, but two years from the time we got the permit. But it would be completed not simultaneously but concurrently, probably within six months of each other. Each part would be started, but one part takes longer than the other. Probably the theme park would be completed within 60, 90 days of the hotel, but they would be done together. Yes."

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Supervisor Cardinale: "And as far as the- you're talking about a two year construction period. Is that what you just said?"

Charles Cuddy: "I'm saying he said two years from now."

Supervisor Cardinale: "Right, but- "

Charles Cuddy: "Probably two years from then. It may be less than that."

Supervisor Cardinale: "Right."

Charles Cuddy: "It would be completed at the same time. Started together, we try to finish together."

Supervisor Cardinale: "Yeah, the point being that the theme park would probably finish earlier because it would be less involved construction and- "

Charles Cuddy: "Not much though."

Supervisor Cardinale: "-- and- "

Charles Cuddy: "Very little. We're talking 60, 90 days difference between the two."

Supervisor Cardinale: "Okay. And I guess the other question- the permitting process would take from contract or option up to a year but then when you began construction, you anticipate still up to two years construction?"

Charles Cuddy: "I'm giving it two years. I think it could be done earlier."

Supervisor Cardinale: "Okay."

Charles Cuddy: "But that would be the outside."

Supervisor Cardinale: "Thank you."

Larry Oxman: "Well, I would just hope that the members of the Board would develop a very high degree of comfort with the nature of the project before they go into contract. And I think that's very important. I think that's fair to not only the community but also to the principals involved. Thank you."

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Supervisor Cardinale: "Thank you. And that has been discussed, that in order to wrap our arms around the concept of this investment enterprise, we will need to get more information and we would expect to do that.

Any other comment from anyone? Hal. Yes."

Hal Lindstrom: "Hal Lindstrom. I don't know of any board that would even entertain this type of project. From what I've read to what I know about theme parks, it's really a nuisance type of operation especially in the community. We should be raising our standards and not settling for this type of project. I consider this in the same category as field day or (inaudible). It's very noisy.

Also, the services that would have to be provided for this type of project, especially police, fire. Most of the time when these type of projects go in, the cost outweighs the benefit. I know that's been said before.

The other issue is the traffic issue and this is a major issue for the community. I know there's been talk about a southern route to the southern gate of the project. This would run right through the pine barrens and I'm sure you would run into objection from environmental groups. So this- "

Supervisor Cardinale: "What would run right through the pine barrens?"

Hal Lindstrom: "The route- the southern route."

Supervisor Cardinale: "Oh, you're talking about the southern route- "

Hal Lindstrom: "Right. That was one of the things that was talked about to address the traffic problem. Is that correct?"

Supervisor Cardinale: "Yes. But not necessarily in regard to this project. But there is- as I have stated with no little humor, if we can't come in on the north because my friends from Ridge are barring the way. We can't come in by airplane because we can't run an airport. And we can't come in from the south, how do I get to the property? But you're right. One of the proposals was to come from the south and that's through the pine barrens. Yes."

Hal Lindstrom: "Right. Which would alleviate the traffic problem. So here we are back to Route 25. Again, the pamphlet that

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was given to the Board with that map showed four lanes on 25, two going each way, which is not the case. There is only two lanes on that road and as an example the air show is a pure example, that any kind of heavy traffic on that road is- cannot be tolerated. And we're talking some 600,000 people coming into this facility.

Also, they're saying that this is going to be a small theme park. We know from experience that once they get in there, most theme parks or water parks or whatever you want to call them, expand after a certain amount of time. And you know from Splish Splash. I remember when I first moved here, they weren't that big. Now all of a sudden, they've got a giant parking lot. They've got a slide that you can see from the expressway.

So, I mean, you have to take in to consider all the factors and one of the major factors is the community and how they feel about this project. Because this land belongs to the people. Even though you make the decisions, it's the people's property. And I hope that you will make the right decision. Thank you."

Supervisor Cardinale: "Thank you, Hal. Harvey. Harvey Hellering is a member of the RDC. What would you like to comment?"

Harvey Hellering: "Well, I'm really here on behalf of Bobby Goodale, the Chairman, who couldn't be here and wanted to be. And we- he feels and we all feel that it would be proper for the involvement of the RDC to be part of the record here, particularly our actions and the views expressed.

Back about a year ago in April, we saw the first presentation of this project and saw a written proposal. And went through the normal process, the RDC being an advisory and screening organization set up by the town. And the material we looked at and the information we had showed that this project meets zoning requirements and also meets the use preferences expressed in the re-use plan that was developed for the entire property.

It went through our next step which is also part of RDC procedure which was to set up a financial screening. We have several people with vast financial experience on the RDC and also they have the resources to do financial checking and their preliminary checking showed nothing negative and enabled us to come up with a recommendation on June 5th- June 19th that voted to make a positive recommendation on the family theme park and hotel proposal submitted by FRP based on the advice and information provided by Jack O'Connor and the presentation made by the principals.

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We also did include a recommendation for continued financial due diligence and the contract negotiation which obviously has been going on.

This was June 19, 2003. And on February 13, 2004, and I think this is more to the point at this point, we had another resolution at the RDC, several of you were here- people on the town board were there, that the RDC hereby reaffirms their support of the theme park proposal brought by the principals of FRP. Furthermore, the RDC is concerned that the town's failure to proceed diligently with the project that meets the previously established criteria of price per acre, zoning and desired use, severely hinders the ability of the RDC, the Riverhead Town Board and its marketing agent to market the balance of the Calverton Enterprise Park and here, although this isn't on- I think this has something really in the context of some of the things that were said before about the value of the property and the pricing of it.

In the final analysis pricing depends on what somebody is willing to pay. We do not have a long line of people begging on our door, begging to be considered for this property at any price. And one of the considerations, the real estate industry is not a quiet one. People know everything that's going on and the handling of a project like this, however it's done, will influence our ability to market the property.

And unless we have people banging on our door willing to pay for it, any discussion of the value of the property is very theoretical. Thank you."

Supervisor Cardinale: "Thank you, Harvey. Tom."

Tom Lossandro: "Tom Lossandro, Baiting Hollow. I think it was a couple weeks ago we were at a work session and Jack O'Connor, when he heard the price of \$50,000, says that's a steal. Today you hear it and he says, that's, you know, very fair, you know. So my thing, you know, is that I don't understand is if I'm going to invest my money and I go to someone's web site, I want to know what I'm going to get, okay. The agent that has this listing, CBRE.com, I've been on their web site and it doesn't give any information in detail pertaining to Calverton Enterprises."

Supervisor Cardinale: "You're talking about the broker for the town, CB Ellis.com, CB Ellis RE.com."

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Tom Lossandro: "Right."

Supervisor Cardinale: "Okay."

Tom Lossandro: "It doesn't give any information, you know, and to, you know, and it hasn't been appraised in two years. Who has done the appraisals? The listing agent, the town or both, you know."

Supervisor Cardinale: "Well, actually- "

Tom Lossandro: "It needs to be reappraised again before we accept anything from a theme park or a hotel. It needs to be reappraised before we accept anything. Today's market- "

Supervisor Cardinale: "Of course, I have no doubt that the market has moved but on the other hand, October of 2002 is only six- what is it? It's about a year and a half. We could get another appraisal. There is some concern in my mind as well. But I understand your point."

Tom Lossandro: "You hear that people aren't knocking on our doors for this land and everything and it's our own fault because it's not being marketed the way it could be. It needs to be enhanced and I mean it might be the biggest, you know, company out there, okay? But if it's not done the right way, it's not going to happen. It doesn't matter if you're the biggest or the smallest. It has to be marketed the right way in today's, you know, marketing world."

Supervisor Cardinale: "Thank you, I appreciate that. The property is correct- is zoned for the uses that are being proposed, as I've discussed previously with members of the audience. If- it is zoned, it's been reviewed. Much of the discussion has to do with the zoning and that's something we discussed briefly- for a whole day rather at the EPCAL work session, the last two we've had.

But at this stage, the purpose of this hearing is more limited and I think we've gone a long way in finding out about this project and these sponsors and that's what the purpose of the hearing is.

We're going to leave this open, this hearing, to allow the public to comment at an evening meeting on April 6th and then I'm going to leave it open for 10 days for written comment, and then by the end of the month of- by April 16th or thereabouts, at that work session on that week, this board will make a determination whether or not we believe that this entity, the FRP Development Corp., is a qualified and eligible sponsor. And depending on how that goes, we

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will proceed or we won't. Yes."

Councilwoman Blass: "Just a final comment, Mr. Supervisor, it's really important for us to understand really exactly what kind of numbers we're talking about because even testimony that was presented today seems not to jive with what's contained in the pink, red book whatever.

With respect to employment in particular, they represented that the theme park would provide for 400 seasonal jobs and 32 full time. That was represented today. The documentation we have in front of us talks about 556 seasonal, 68 year round. The seasonal represent salaries or paying jobs at the hourly rate of eight to twelve dollars an hour and there are only four jobs that are indicated at \$100,000 plus. Again, just in terms of number of employment opportunities, we're showing all different numbers, all different ranges, all different size. What exactly, it would be very helpful to determine what it is we are talking about at some point."

Supervisor Cardinale: "Yeah, I could not agree with you more and, again, the- as I indicated earlier, the absence of a feasibility study on what was described in the testimony as the driving component of this project, the hotel conference center, is a glaring deficiency in my own mind.

So, and I point out that we can make a- we must make a determination whether the entity is qualified and eligible, FRP Development Corp. That's what we're looking at. We're not looking beyond it to the individuals who comprise it. I know a little bit more about them. I know a little bit more about the capitalization. Some of that has raised questions in my mind. I know a little bit more about the specifics but not enough about the hotel conference center.

That's why I'm leaving it open for two more- for two weeks for submission of written material. Then at the next meeting, we'll have more verbal comment. Then we'll have more written material but it is the applicant's burden to establish themselves as qualified and eligible sponsors. And if they are, they are and if they're not, they're not.

So with that unless there's any further comment- there's one more comment. I'll take that comment and then I'll adjourn it to February- to April 6th, the next meeting. Yes."

Chris Calderone: "Good afternoon. My name is Chris Calderone

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and I live in Baiting Hollow and I came here to speak about this today. I know that you're going to leave it open so- '

Supervisor Cardinale: "Sure."

Chris Calderone: "-- there will be a lot more comment going forward. I live in the Baiting Hollow/Calverton area. We've got a lot of acreage that's sitting there and since Burman, unless I'm mistaken, I think there was one deal that's been made since then for this boat testing facility. They're building a lake there and they're going to test boats and so on."

Supervisor Cardinale: "That's correct. Yes."

Chris Calderone: "So we haven't made a deal since then and to me this looks like a read good deal for the town, you know. To pay a million dollars in taxes into our coffers is something that, you know, we're lacking."

You know, I live nearby this facility. People that are concerned about traffic- when Grumman's was operational, over 4,000, 5,000 people a day were showing up there. So, you know, if some of these people that come to the theme park come by bus which a lot as you see at Splish Splash a lot of buses show up during the summertime, then you may not have, you know, as much traffic as people may feel that, you know, will happen here.

We have a lot of acreage sitting there. We're in a very strong real estate market. I'm in the real estate business. We haven't made any deals there. It's time we got off the dime and started making deals there, especially in light of the fact that money is available. You know, money dries up because the economy takes a turn and this property will sit there for the next 25 years and nobody will be interested in doing anything there because, you know, we sat through a very strong real estate market, didn't present any opportunities.

As far as the company that's marketing the project right now, in fairness to them, you know, because I think we've been indecisive as a town as to what we want there and what we don't want there and we've sent a lot of mixed signals over the years, we haven't seen folks just come to the table and put real money on the table and say, we want to make a deal.

As a local resident, as a taxpayer, I'd like to see you make this deal. I think that may go a long way to opening up other opportunities for more facilities to come here. The general public

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is concerned about housing and development and over-development. This is a theme park which, you know, plays into the tourism of what I think we want to see here. We're not going to, you know, develop residential situations, then we have to bring some economy here.

This property was given to us a long time ago and we haven't seen any deals go forward and I'd really like to see this happen. And that's what I came to say."

Supervisor Cardinale: "Thank you for your comment. And let me assure the applicants and the- we want to make this deal. We wouldn't be here if we didn't want to make this deal.

The real key to this hearing is we've got to have a comfort level that we're going to close this deal because that's the whole key to this. Is this a qualified and eligible sponsor that's going to close and get a quality project up there and that burden is on the sponsor under the law."

Chris Calderone: "Well I've got to agree with that as a resident."

Supervisor Cardinale: "I understand."

Chris Calderone: "I don't want to see a project start there and then we own something that needs to be cleaned up."

Supervisor Cardinale: "That could be the only thing worse than what's happening right now. Right."

Chris Calderone: "Right."

Supervisor Cardinale: "Thank you. I'm going to close the- not close it, keep the hearing adjourned to April 6th and I'm going to take one final comment from my good friend, Allen Stadler. Allen, talk to us."

Allen Stadler: "Yeah, I'm from Ridge."

Supervisor Cardinale: "From Ridge."

Allen Stadler: "You know, your own web site states that it's going to be 50,000 cars a day."

Supervisor Cardinale: "Fifty- "

Allen Stadler: "Fifty thousand cars a day. Where are they

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getting these figures? Because when it's completed, it's going to encompass many different entities including outside the fence. All right?"

Supervisor Cardinale: "You're talking about the whole piece?"

Allen Stadler: "Yes. The whole piece. I mean we're not looking at one piece of it; we're looking at the whole piece of the pie."

Supervisor Cardinale: "You mean when it's fully developed?"

Allen Stadler: "Yes. That's what we're looking at."

Councilman Densieski: "That still sounds ambitious."

Allen Stadler: "It's on the web site. I'll e-mail it to you. I think I already have."

Anyway, I have a prepared statement being probably my last chance. The traffic is also going to invade Riverhead, not only west to Ridge, by the way. Why consider a plan that is not worthy and acceptable to the majority of your constituents. Most Riverhead and adjoining Brookhaven residents unwaveringly in my opinion, do not desire amusement parks, vehicular race tracks within our communities.

We had a previous administration's- they probably had an oversight, and incorrectly zoned the property recreational. That's why you have erasers on pencils. You can change the zoning.

It's appallingly apparent that Riverhead is acting out of desperation here. It just seems that way. Your constituents, everybody almost who work and represent- who you represent, are demanding that you eradicate amusement park, the race track, and other such soaring impact schemes that will embarrass our region, our community, your constituents and yourselves.

The undesirable development will produce menial, this is very important, menial unskilled jobs. No one can say the opposite, all right. Menial, unskilled jobs, using low pay that will throw the majority of those working there into the streets or thrust them onto public assistance while they are employed. Family of four would be thrust on some type of assistance making those minimal wages.

This is not Florida, Brooklyn, the Bronx or Pennsylvania. You cannot create working class poverty within the USA's highest cost of living region, where we are.

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What viable benefits would an amusement park, vehicular race track and the like create for our constituents other than- other than the alteration of our rural and rural-like streets into massive four or six lane contiguous lanes of concrete. The annoyance of perilous light pollution that will obliterate the reviewing- excuse me, the viewing of our natural nighttime sky and blight our communities and backyards during the night time. And, also, according to many studies by the way, light pollution increases the chances of breast cancer. There's many studies going on in many universities that can prove that out.

Also, the increased noise pollution that will strain our slumber and increase air pollution, like carbon monoxide pollution or stink the air we breathe, consequently poisoning our bodies into premature young corpses. We don't want that.

The location, talking about premature young corpses. The location is across from a major memorial where our veterans rest. It is poor judgment to despoil and to place an amusement park opposite that.

Okay. We just ask you, perform your (inaudible) appropriately and humanely. Put the cart before the horse. Figure out a method to connect EPCAL directly to the LIE to disassociate the innocent population in and around EPCAL from EPCAL itself. The entire plan, embarrassingly lacks class, prestige and character.

Either you can throw Riverhead down the river or ride Riverhead atop the crest of the wave. The town of Riverhead must act appropriately and get their act together because we voted you into office to do so, at least your constituents did.

Maybe I'll buy another house and I'll be able to also. I'll buy one out here. But not if you build this park.

The voters pay your salary; the voters can take it away and I just want to say the success or failure of Riverhead is in your hands. Thank you."

Supervisor Cardinale: "Thank you, Allen. Thank you for your remarks. I'm going to close- not close, but adjourn the hearing as stated."

Public Hearing adjourned to April 6, 2004

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Public Hearing opened: 4:25 p.m.

Supervisor Cardinale: "I'd like to call the second meeting which I hope and expect will be brief, consideration of a proposed local law to amend Chapter 101 Vehicles and Traffic, weight limits on Middle Road. Is there- it is 4:24.

Is there anyone who wants to be heard in regard to changing the weight limits on Middle Road so as to preclude truck traffic to a greater degree?

Okay, the time that I'm opening this hearing is 4:25. Yes, sir."

Ken Pierce: "How do you do? My name is Ken Pierce, Osborne Avenue, Riverhead, New York."

Supervisor Cardinale: "Yes, sir."

Ken Pierce: "Mr. Supervisor, in July of 02, this board as it sat, passed a resolution for the weight requirement on Mill Road. Now it was passed in 02 and it was implemented in 03. Now since the road has been in the past a truck route to Youngs Avenue and to Sound Avenue, what you've done by that weight limitation sign is divert the traffic further east to Osborne Avenue.

Now on Osborne Avenue the county striped the road going south which made it two lanes and I believe there was a young woman killed at the corner last year, I'm not sure. But what happened is that those trucks traveling east cannot make that turn. I spoke to the traffic director of the Department of Public Works of Suffolk County and he is sending out a crew to remedy that situation.

But, you know, here I am as a citizen and I observe these things but, you know, here we are talking about putting a weight limitation on Middle Road. Middle Road and I've heard used in the papers as a bypass for 58 and I've been on the Moriches Bypass, Smithtown, Rocky Point. Middle Road is not a bypass. It's an auxiliary road that's disrepair, a hazard in itself, and you're putting a weight limit on it.

Why don't you tell me you're going to put a new surface on the road? That's what it needs. Reduce the speed limit. I can remember meeting with one of your cops over here about reducing the speed

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limit on Osborne Avenue. No good, can't do it. Has to be incorporated by the Town Board.

Now, you know, it's going like step to step. Now you're going to Middle Road. When will it be Reeves Avenue?

What I'm saying is the traffic is so horrendous, the road is in such disrepair. I think it's academic that you put a weight limit on it. First of all, put the road back in A-1 shape so it is safe to ride on, reduce the speed limit. It's 40 miles an hour now. You ride it 40 miles an hour and the guy's on your back bumper. They think it's a speedway.

You know, I'm saying you have to do something to correct the street itself, you know. By putting the weight limit on it, you're doing the same thing as you did on Mill Road. You're diverting the traffic to somewhere else and then you're creating a problem there. You know? It doesn't remedy the situation as it is right now.

And I hope you would look at some of the recommendations I did make as far as resurfacing it. It has no shoulders and I've been on there when I see a bus coming at me way down the road, Suffolk Cement trucks come wiggling down the road and here we are. Where do you go? And I'm looking at all the vacant land that's around there that will be developed. I'm pretty sure it's residential zoned.

I think it's time now, maybe we can make it a bypass, you know, a legitimate road that will safely get the people around 58. That's what I'm here for, asking you to consider that

Supervisor Cardinale: "Thank you. And I was interested because it's a totally different approach than what's- the concept presently in effect is to make it so miserable to be on Middle Road between lights and stop signs, that people do not use it as a bypass to 58. You're suggesting a different approach basically totally. Make it an attractive bypass to move traffic that would otherwise be on 58."

Ken Pierce: "Safely."

Supervisor Cardinale: "Yeah."

Ken Pierce: "I had requested going to the engineering department and wanting to put up a blinking red and orange light on the corner of Osborne and Mill Road and I was told the cost is exorbitant. And then- that was in the process, they were going to erect a traffic signal on Northville Tpke. and move that Northville

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Tpke. to Roanoke Avenue, which they did. But you know, I live at the junction of Mill and Osborne and 80% of the cars never stop. Whenever you hear a horn blowing, you know what it is? Somebody went through it and the other guy is trying to tell him you're in my way.

You know, there's all situations and you are the guys that can take care of it."

Supervisor Cardinale: "We do have an application to the state to permit the reduction to 30 on that road. One of the things I have heard today I have never heard and I'd be interested to hear the police chief's reaction to, is to improve the quality of the paving on that road. That that may be a part of the difficulties that have occurred there.

People are going slower and are on better pavement and maybe have better signage and better lights, all of which we are considering, that might help. What do you think, Chief, you want to comment? Why don't you come on up? Because this is a particular concern of mine and of the town in general, Middle Road.

We have a project- thank you very much for your comment. We have a project presently of- as you know, we have a speed reduction we hope to be able to accomplish. We have a weight reduction we hope to be able to accomplish. We have blinking lights going up. We have full lights going up. We have signage going in. We are considering reconfiguration of the road, if required.

This gentleman brings up an interesting point. He says the quality of the pavement is so poor, that improvement of that would be a worthwhile endeavor. What do you think?"

Chief Hegermiller: "I disagree. I think the idea is to keep them on county route 58. I think that's where we want to keep the traffic."

Supervisor Cardinale: "And that's- and he also- "

Chief Hegermiller: "I mean if you want to make Middle Road a bypass, we thought about making it the Middle Road bridge bay kind of thing and we can go under intersections and over intersections, but it's a country road that's very densely populated now and there's no way to correct it unless you want to completely redo the whole road."

Supervisor Cardinale: "So your thought is- "

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Chief Hegermiller: "Between widening it and everything else, I would say that would be- "

Supervisor Cardinale: "So you're comfortable with the general theory which is make Middle Road unattractive as a bypass, not more attractive as a thoroughfare?"

Chief Hegermiller: "Correct. Also, there was- I know a while back there was a proposal to redesign the Osborne and Mill Road intersection and I know a developer was approached as far as bringing it out to make it more of a "T" intersection instead of a "Y" intersection. I don't know where that is though."

Supervisor Cardinale: "Thank you for your comment. Thank you for your comment, sir, too. Is there any other comment at the hearing, yes, Sal, in regard to this hearing on Middle Road weight limits?"

Sal Mastropolo: "Sal Mastropolo, Calverton. I don't care what you do to Middle Road, okay. It's still better than traveling on 58. Fifty-eight is ridiculous, okay. I come to Riverhead often and I always come Middle Road, okay."

Councilman Densieski: "Is it better for you or the people who live on Middle Road though?"

Sal Mastropolo: "There's not- there's traffic on Middle Road but it's nowheres like 58. I mean the only time I'm on 58 is going west. Coming east always seems to be backed up, okay, bumper to bumper all the way to the circle by the hospital. Okay? I come Middle Road and depending on where I'm going to come, that's how I decide where I'm going to start heading south. Okay? If I'm coming to the town, I come south on Osborne and come past the Mazda dealer and through Polish Town. If I'm going to Produce, I take it all the way down to Roanoke. Okay? But Middle Road is still a better bet than 58 if you're going east."

Chief Hegermiller: "You're giving away secrets, Sal. We don't want this to get to the press."

Supervisor Cardinale: "Thank you, Sal. We've had a request from one of the- from one of the Board to take a 10 minute break and then we're going to come back. We're going to do- at- 10 minutes, literally at a quarter to 5, we'll return. We'll take comment on the resolutions and then we'll go forward with the resolutions, then we'll take comment on anything you want to talk about and then we'll

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get out of here. Ten minutes- we're reconvening at 4:45. And I am- before I leave, I am closing this hearing on Middle Road for further verbal comment. I'll leave it open 10 days for written comment."

Public Hearing left open 10 days for written comment

Meeting adjourned: 4:25 p.m.

Meeting reconvened: 4:48 p.m.

Supervisor Cardinale: "We have resolutions to pass, but before we do, we want to give those of you who are remaining with us a chance to comment on any resolutions we're about to consider. And with- unless there is comment on the resolutions and, Sal, I think you have- would like to comment. Please come up. Sal, really is a comment, he's going to correct our resolutions for us because we're always rushing and never get to do so. Sal, if you could- Sal, tell us what you'd like to tell us."

Sal Mastropolo: "Okay, Sal Mastropolo, Calverton. On CDA Resolution #5."

Supervisor Cardinale: "Yes?"

Sal Mastropolo: "It's missing all the dates."

Supervisor Cardinale: "Yeah, I'm aware of that."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "I'm going to correct those. I believe- correct me if I am wrong. There's one at #2 I have to put in, which is 4/1/04 to 9/1/04."

Sal Mastropolo: "Yeah, at the top, the very top also."

Supervisor Cardinale: "Today's date."

Sal Mastropolo: "First line. License made as of- "

Supervisor Cardinale: "Today's date which, well, that would be the day we actually sign it. But I do have to do the following two things. On #2, 4/1/04 to 9/1/04, you can make that correction,

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Barbara. Please. And on #7, there should be the words monitoring species. I am aware of those two changes because Jill indicated- anything else- "

Sal Mastropolo: "Yeah, #4. Take out all the references to horse shows and RMI, seven or eight lines from the bottom."

Supervisor Cardinale: "Okay. One, two, three, four, five, six. Okay. So labor and materials- "

Sal Mastropolo: "Yeah, you got it. Labor, materials or service furnished to RMI in connection with the horse shows and related events. There must have been a- "

Supervisor Cardinale: "For labor, materials, services (inaudible). Okay, that, Barbara on the one, two, three, four, five, six, seventh line up is completely crossed out and the eighth line up from the bottom on item- paragraph four, the words for labor, materials or services is deleted. Okay?"

Sal Mastropolo: "Okay. Resolution #195."

Supervisor Cardinale: "Yes?"

Sal Mastropolo: "The be it hereby resolved right after the now, therefore- "

Supervisor Cardinale: "Yes?"

Sal Mastropolo: "-- that the work was completed by T.H. Cheshire."

Supervisor Cardinale: "Very good. And also could you confirm that the word authorizes should read ratifies, Barbara?"

Barbara Grattan: "Ratifies T.H. Cheshire?"

Supervisor Cardinale: "Yeah. Because it has been done as an emergency. We're ratifying the action of Mr. Reichel. And we also have an invoice if anybody wants to read it, which shows you what he actually paid, which I will- you've seen it, okay. Fine. Okay. What else, Sal?"

Barbara Grattan: "That's the only thing on ratifies?"

Supervisor Cardinale: "Ratifies and the was, yeah."

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Sal Mastropolo: "Resolution 200."

Supervisor Cardinale: "Okay."

Sal Mastropolo: "There's no attached notice to bidders."

Supervisor Cardinale: "Indeed you are right. Do you have a notice? Okay. This is Resolved, the Town Clerk is authorizes to publish the attached notice to bidders. Who's got the notice itself so we can make sure that we know what we're authorizing? We don't?"

Councilman Densieski: "Mike?"

Supervisor Cardinale: "Okay, next resolution."

Sal Mastropolo: "Resolution 201."

Supervisor Cardinale: "Okay."

Sal Mastropolo: "Should the public notice be attached? It says- "

Barbara Grattan: "No. It's in- it's in the second page says the Town Clerk be and is hereby authorized to publish and post a notice of public hearing."

Sal Mastropolo: "-- publish and post a notice of public hearing."

Barbara Grattan: "That's what they normally do."

Sal Mastropolo: "Usually when you have a resolution- you have the public notice attached."

Barbara Grattan: "Not with this."

Sal Mastropolo: "Okay."

Barbara Grattan: "This is always like this."

Sal Mastropolo: "That's why I asked the question. Resolution 203."

Supervisor Cardinale: "Right."

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Sal Mastropolo: "On the fourth page, in the first Whereas- "

Supervisor Cardinale: "Okay. That's going- "

Sal Mastropolo: "Schedule A annexed."

Supervisor Cardinale: "That's going to be withdrawn."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "And if you look at #211, that's the substitute."

Sal Mastropolo: "Okay. My question came up on 211 that it was a dup of 203."

Supervisor Cardinale: "Yeah. 203 is withdrawn and 211 is to be considered."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "And I think that is also going to be withdrawn because 211 is going to be tabled, not withdrawn because there are- this is an old matter and we only have two members of the old board willing to vote on this. George and I are going to have to educate ourselves."

Sal Mastropolo: "Okay. 206. I notice that there's no mention of fees being waived which is unusual because usually- like 205, the first- the second Whereas, the applicant has requested the application fee be waived. This one doesn't say anything. So my question is are there fees being charged, okay. And, if not, does the town receive any compensation for the town expense? Like police, etc. for that three day Blues Festival."

Councilman Densieski: "Yes, we do."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "You know, I'm missing 211."

Sal Mastropolo: "We didn't get to 211 yet. That was 20- "

Supervisor Cardinale: "Okay. Which one was that you were just talking about?"

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Sal Mastropolo: "206."

Supervisor Cardinale: "206, that I do have."

Sal Mastropolo: "Well, I had two questions. One is do they pay a fee because there's no mention that they asked for the fees be waived. My second was, does the town get reimbursed for the expenses of the police department?"

Councilman Densieski: "It's the town putting it on. We can't reimburse ourself. The BID is an arm of the town board."

Sal Mastropolo: "I guess what I'm at a loss of is, you have this three day blues festival, okay, and it seems like the only ones that make any money, okay, are the vendors that sell the beer, etc. What does the town get, the town itself as an entity- "

Councilman Densieski: "They get to go to the blues festival. The businesses downtown have an economic benefit."

Sal Mastropolo: "And additional police."

Councilman Densieski: "Just like we do with the country fair and other functions."

Sal Mastropolo: "That doesn't make it right."

Supervisor Cardinale: "I think that the concept was and I think it's finally coming to fruition, that the town was supposed to fund it for the first few years because I was on the board in '98, I think when it started, and then they were going to not fund it but they would be able to be self-sustaining. And I think they're about there now. And then you might reasonably ask the question you just asked but what about the additional cost.

But I think what Ed is saying and correctly, is that we've been nurturing them for the first five years, six years now. Eventually we want it to be like Newport where they make a fortune for the town- "

Sal Mastropolo: "That's my point. I mean-- "

Supervisor Cardinale: "So, I understand your question and it's something we will consider."

Sal Mastropolo: "208."

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Supervisor Cardinale: "Yes."

Sal Mastropolo: "The third whereas, it's an annual sum of \$7,500 but it says March 1, 2004 with an expiration date of February 28, 2004."

Councilwoman Blass: "That's supposed to be five. We caught that one."

Sal Mastropolo: "Yeah, and in the next paragraph, it needs to be changed, the 2005."

Supervisor Cardinale: "This is 208 you're looking at, right?"

Sal Mastropolo: "Yes."

Supervisor Cardinale: "I wish I had 208. Oh, yes, we corrected that. That's why I took that out. Thank you."

Sal Mastropolo: "Okay."

Supervisor Cardinale: "And- but there's an interesting- more serious problem on that one which is that it said \$7,500- "

Sal Mastropolo: "Why? Is that a wrong number? I didn't know whether that was right or wrong so I couldn't question it."

Supervisor Cardinale: "No. It's apparently right but it was for some time at \$5,000 and at one point went from \$5,000 to \$7,500. I'd like to revisit that, if possible. It seemed like a large jump. That occurred a couple years ago. So I'd like to discuss that a little bit."

Sal Mastropolo: "213. The second whereas. I mean we extended a contract from- "

Supervisor Cardinale: "213, right?"

Sal Mastropolo: "Yes."

Supervisor Cardinale: "Second whereas, okay."

Sal Mastropolo: "Right. It seems that 4.99 for a 50 pound bag is an awful high price. I mean, should we be going out for rebid?"

Supervisor Cardinale: "A 50 pound bag of what?"

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Sal Mastropolo: "Lime. 4.99. I mean I guy it cheaper than that."

Supervisor Cardinale: "Do you really?"

Sal Mastropolo: "Yeah."

Supervisor Cardinale: "I remember one time you told us we were paying too much for pork, too."

Sal Mastropolo: "Well, you still are but I never get a chance to see those any more."

Supervisor Cardinale: "And you were right. Do you have something to say on that, Gary? Would you tell him- "

Gary Pendzick: "Gary Pendzick, Superintendent Riverhead Water. It's not yard lime. This is (inaudible) grade lime that we use to adjust the Ph in our drinking water. So you can't compare it to (inaudible)."

Sal Mastropolo: "I guess I was looking at dry- "

Gary Pendzick: "It is that but it's different."

Supervisor Cardinale: "Well, at least you were looking, Sal, which puts you one up on me so thank you. Lime-- that was 213. Any other ones that we need to correct or you have a question on?"

Sal Mastropolo: "220. There's no attached agreement."

Supervisor Cardinale: "I think, let's see, do I have that?"

Sal Mastropolo: "The Resolve paragraph."

Supervisor Cardinale: "Oh, yes."

Sal Mastropolo: "There's no fee attached agreement."

Supervisor Cardinale: "We picked that up and I have it here. This is- I can show it to you but basically they are going to review our telephone bills which has never been done and we will be able to keep 65% and they'll keep 35."

Sal Mastropolo: "Okay. 221."

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Supervisor Cardinale: "Yes."

Sal Mastropolo: "You're missing the step number in the now therefore be it resolved paragraph."

Supervisor Cardinale: "Now, therefore, be it resolved- yeah. That's going to be tabled because we don't know what the step is either."

Sal Mastropolo: "Okay. That's why it was blank, huh?"

Supervisor Cardinale: "Sollazzo, Lisa, we're not sure where we're putting her on the schedule. Okay."

Sal Mastropolo: "231."

Supervisor Cardinale: "Okay?"

Sal Mastropolo: "Should you put down that it's- that it's for the 2004 boating season?"

Supervisor Cardinale: "Okay."

Sal Mastropolo: "I'd like to think that we're going to revisit the numbers for next season or did you want that resolution to be open-ended?"

Supervisor Cardinale: "Well, I guess we do want it read for the 2004 because we're going to change it conceivably next year, for 2004 boating season. Okay. Season at the end of now, therefore, be it resolved. Anything else, Sal?"

Sal Mastropolo: "I'm going through it."

Supervisor Cardinale: "Good."

Sal Mastropolo: "235. The third whereas- "

Supervisor Cardinale: "Right."

Sal Mastropolo: "I mean, we're now in the middle of March, okay, and we're changing a contract to end April 30 of 2004. Why don't we just do it to April 30, 2005 so we don't have to do it again?"

Supervisor Cardinale: "Extension of contract, Riverhead- "

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Sal Mastropolo: "In another month and a half."

Supervisor Cardinale: "Oh, because, we're in the process of an extension of the agreement for a couple of years and we are not yet agreed on language so this is just a stop gap until we get the agreement which will be for two years, I think."

Sal Mastropolo: "Okay, those are my comments."

Supervisor Cardinale: "Thank you very much. I appreciate your comments. If there's no further comment on the resolutions, we'll review them and then take open comment. And, Andrea, are you here? Would you call the- I'd like to- I'd like to close the meeting for a moment, or adjourn the town board."

Meeting adjourned: 5:00 p.m.

Meeting reopened: 5:02 p.m.

Supervisor Cardinale: "Resolution 195, please."

Resolution #195

Councilman Bartunek: "Ratifies T.H. Cheshire and Son, Inc. to perform emergency work for Calverton Sewer District. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #196

Councilwoman Blass: "This is a SEQRA resolution with a sewer district reuse Phase I pilot study for the Riverhead Sewer District. So moved. So moved."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski."

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Councilman Densieski: "I see this went through without too much fanfare but this actually quite a big thing that the town is doing. It's wastewater reuse as irrigation, mostly in part thanks to Michael. So, yes."

The Vote (Cont'd.) "Cardinale."

Supervisor Cardinale: "Yes, it's a very creative idea, a good idea, I'm glad to see we're doing it. We talked about it when I was on the town board and did it after I left which is a tribute to those who stayed. So I vote Yes."

Barbara Grattan: "The resolution is adopted."

Resolution #197

Councilwoman Sanders: "Appoints seed clam program administrator, that being David Lessard. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #198

Councilman Densieski: "This says reappoints but one of these members is new, I guess that's all right. Reappoints members Thomas Kohlmann, George Tvelia, Ann Miloski, Vincent Frigeria, Bruce Tria as to the town of Riverhead, Suffolk County Empire Zone Administrative Board and fills a vacancy, okay. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale."

Supervisor Cardinale: "Yes. We have a wealth of great candidates and I thank Bruce for being willing to serve and I also thank Art Binder and John Fields for being willing to serve. I vote yes."

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Barbara Grattan: "That resolution is adopted."

Resolution #199

Councilwoman Blass: "This resolution awards a bid in the Riverhead Sewer District for sludge cake removal. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #200

Councilman Bartunek: "We never got the attachment for this."

Barbara Grattan: "But we will, we'll get it tomorrow."

Councilman Bartunek: "Trust you on this?"

Supervisor Cardinale: "Yeah, since it's so routine, I'll even trust myself."

Councilman Bartunek: "Authorizes Town Clerk to publish and post attachment notice to bidders regarding grit and screen removal, Riverhead Sewer/Scavenger Waste District. So moved."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #201

Councilwoman Sanders: "This is an order calling a public hearing for a lease agreement with Cellular Telephone Company doing business as AT&T Wireless and the Riverhead Water District. So moved."

Councilwoman Blass: "And seconded."

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Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #202

Councilman Densieski: "It's an order calling for a public hearing a lease agreement with Onminpoint Facilities Network 2 LLC also known as T-Mobile, Riverhead Water District. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #203

Councilman Densieski: "I'd like to make a motion to withdraw 203."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded for withdrawal. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. That resolution is withdrawn."

Resolution #204

Councilwoman Sanders: "Approves the application of the Wading River Civic Association for a Duck Pond Day on May 2nd between the hours of 12 noon and 4:30 p.m. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #205

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Councilwoman Sanders: "Approves the application of East End Arts & Humanities Council, Inc. for their mosaic street painting festival on Sunday, May 30th having a rain date of Monday, May 31st, from 12 to 5 p.m."

Councilman Bartunek: "Seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #206

Councilman Bartunek: "Approves application of Riverhead Business Improvement District Management Association for the Blues Festival. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders."

Councilwoman Sanders: "I do hope next year we will be able to reach the point where they can be self-sustaining and no longer be supportive and dependent upon the town for its funding. Yes."

The Vote (Cont'd.): "Blass, yes; Densieski, yes; Cardinale."

Supervisor Cardinale: "Yes. And I second that sentiment."

Barbara Grattan: "That resolution is adopted."

Resolution #207

Councilwoman Blass: "This resolution promotes a recreation specialist to the Riverhead Recreation Department. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski,

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yes; Cardinale, yes. The resolution is adopted.

Resolution #208

Councilman Densieski: "Authorizes the execution of a lease agreement between Kenneth Demchak and the Town of Riverhead. So moved."

Supervisor Cardinale: "Yeah, as amended. Second, please."

Councilwoman Sanders: "Seconded."

Supervisor Cardinale: "Discussion. This is a 7500- I asked- I remembered it at 5,000 not so long ago. Jack indicated that it was correct at 7500. It had been changed a few years ago.

Does anybody remember because I believe we had to move it for 5,000, that's a big jump. It was- all right. I may be mis-remembering. If I am correct, I'll let you know. I may be just wrong.

Okay, so it's moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale."

Supervisor Cardinale: "Yes, and I'll check that to make sure."

Barbara Grattan: "That resolution is adopted as amended."

Resolution #209

Councilman Bartunek: "Adopts a local law amending Chapter 109 entitled Moratorium on Residential Development of the Riverhead town code to extend the duration of the moratorium on residential development. So moved."

Councilwoman Sanders: "And seconded."

Councilman Densieski: "Discussion."

Supervisor Cardinale: "Yes."

Councilman Densieski: "I'm just curious if we could go to 109-5 where it says six month period."

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Supervisor Cardinale: "Yes."

Councilman Densieski: "Would it be a problem if we added or upon the adoption of the zoning code?"

Supervisor Cardinale: "No. In fact, we can- we should do that. Because I intend to have it go out of effect in June. Yeah."

Councilman Densieski: "You've got that, Barbara? 109-5."

Supervisor Cardinale: "Would that be any problem?"

Barbara Grattan: "Okay and what are we going to say?"

Councilman Densieski: "Bob, I'm offering it up for conversation; I'm not trying to change it."

Supervisor Cardinale: "Yeah. The objective is to get it done by June but you extend- we're extending six months from day after tomorrow when you file with the Secretary of State so that would mean it would give us to say September 17th. Would it- would our enabling it- would our legislation when we pass the zoning kill the moratorium anyway the same night?"

Dawn Thomas: "I think you would repeal (inaudible), and repeal it based on our adoption of the residential zoning use district that would be proposed. But if you were going to limit this, you'd have to say subject to the adoption of all the residential zoning use districts."

Supervisor Cardinale: "Unless- so you would confirm- I would confirm the sentiment that we want to finish it by June and we expect it. But if we're going to repeal that (inaudible), would you recommend we amend this or would you recommend we leave it. I don't care."

Dawn Thomas: "I think you could amend it now and say upon the adoption of the residential-"

Supervisor Cardinale: "All residential use limits."

Dawn Thomas: "No residential zoning use districts (inaudible)."

Supervisor Cardinale: "Except for high density."

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Councilwoman Blass: "You would have to say whichever happens sooner though."

Dawn Thomas: "Whichever occurs first."

Supervisor Cardinale: "Except high density, whichever happens- the high density zone will (inaudible)."

(Some inaudible discussion among the Board members)

Councilman Densieski: "Also, Mr. Supervisor, I'd just like to say that if anybody has a project that meets the new proposed zoning, they can go forward now. So it's not really like, you know, it's not taking any- yeah, it is in here, it's in the body. It's not stopping somebody that has a project that meets the new zoning."

Supervisor Cardinale: "Yeah, we certainly would like them to- to match the master plan's intentions. We will do what we can to move them along. And I expect that this is going to be only for another two and a half months anyway."

Okay, as amended. I've got it moved. I've got it seconded. Can I have a vote?"

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #210

Councilwoman Sanders: "Resolution and consent approving the dedication of highways known as Vineyard Way and recharge basin, the Meadows at Aquebogue. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #211

Councilwoman Blass: "Mr. Supervisor- "

Supervisor Cardinale: "Yes?"

Councilwoman Blass: "I'd like to table Resolution 211."

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Supervisor Cardinale: "Okay, it's moved to table. Second, please."

Councilman Bartunek: "I guess I'll second that."

Supervisor Cardinale: "Moved and seconded to table this for further discussion on March 25th. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski."

Councilman Densieski: "I can't in good conscience keep dragging people around and prolonging things and doctoring up a good thing. So I'm going to vote no to table."

Supervisor Cardinale: "Okay."

The Vote (Cont'd.): "Cardinale."

Supervisor Cardinale: "I will vote yes. But I agree with what Ed just said. I want to study this. I've learned that maybe one or two votes, I think, with George and I reviewing it, we would have a full board able to vote and presumably resolve it. So I put it over and vote to table, yes."

Councilwoman Blass: "Just so that there's no confusion, I had indicated to the Supervisor that I could not support this resolution because I did not support the special permit so it is inappropriate for me to support a site plan. With that in mind, I'm not trying to delay or further encumber anybody's application. The Supervisor made a determination based upon that."

Supervisor Cardinale: "Right. And I'll review the file and, George, you will, too?"

Councilman Bartunek: "Yes."

Supervisor Cardinale: "And we will be prepared to vote at the next meeting."

Councilman Bartunek: "Maybe this afternoon we'll get down to Tweed's and look it over."

Supervisor Cardinale: "All right Resolution #212."

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Councilwoman Sanders: "Speak for yourself."

Supervisor Cardinale: "Yeah."

Resolution #212

Councilman Bartunek: "Amends Resolution #1330 of 2003, approves application of Riverhead Country Fair. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #213

Councilwoman Blass: "This resolution extends the bid contract for dry hydrated lime, also known as calcium hydroxide. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #214

Councilman Densieski: "Extends bid contract for corrosive control chemicals for the Town of Riverhead. So moved."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #215

Councilwoman Sanders: "Extends bid contract for well and pump emergency service for the Riverhead Water District. So moved."

Councilman Bartunek: "And seconded."

3/16/2004minutes

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #216

Councilman Bartunek: "Authorizes Supervisor to execute budget transfer. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #217

Councilman Densieski: "Authorizes the town Supervisor to execute a change order for standby power generator at the Police Department. So moved."

Councilman Bartunek: "The only question I have about this is we discussed this during the work session, did we?"

Supervisor Cardinale: "Yes. That was- Ed-- Testa discussed this at some length. Yeah."

Councilman Bartunek: "All right. And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski."

Councilman Densieski: "I didn't support the original change of the generator, the other generator still worked. So I'm going to abstain."

The Vote (Cont'd.): "Cardinale, yes. That resolution is adopted."

Resolution #218

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Councilman Bartunek: "Authorizes town Supervisor to execute change order for Calverton Recreation Center. So moved. Did we- okay, we were going to- "

Supervisor Cardinale: "Yes. Rose, did you want to second it?"

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Yeah. Discussion. I have a note that George had some concerns about whether this- about this. Did you want to discuss this at a work session?"

Councilman Bartunek: "I think that would be a good idea."

Councilwoman Sanders: "But it was discussed at a work session."

Councilman Bartunek: "It was."

Councilwoman Sanders: "Mr. Testa, at the same day, he came to the table regarding the generator, he came with the change order for this particular, so- "

Supervisor Cardinale: "I think what he said, correct me if I'm wrong, is that there was- we were concerned because there was a 227 increase but there is a \$25,000 contingency."

Councilwoman Sanders: "Right."

Supervisor Cardinale: "So this is within the contingency that was within that budget and they did not anticipate any further change orders, so with that, I think we were relieved to hear. So, if that explanation is sufficient, we can move this as soon as we can put it to vote. So moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski."

Councilman Densieski: "I didn't support the guardhouse renovation as a community center in Grumman's, so I'm going to abstain."

The Vote (Cont'd.): "Cardinale, yes. That resolution is adopted."

Resolution #219

3/16/2004minutes

Councilwoman Sanders: "Accepts 5% security bonds of Sound Housing LLC, Phase 3. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #220

Councilwoman Blass: "This resolution authorizes the Supervisor to execute Telstar Resource Group agreement. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #221

Councilman Bartunek: "Appointment of senior administrative assistant to town engineer Resolution #221, and we're going to table this resolution."

Supervisor Cardinale: "Yeah, I'd like to table that."

Councilman Densieski: "Second to table."

Supervisor Cardinale: "Great, moved and seconded to table for further discussion on the 25th."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is tabled."

Resolution #222

Councilman Densieski: "Scavenger Waste District budget adjustment. So moved."

Councilwoman Sanders: "And seconded."

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Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #223

Councilwoman Sanders: "General fund budget adjustment. So moved."

Councilman Bartunek: "Second."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes."

Councilwoman Blass: "Discussion."

Supervisor Cardinale: "Yes, go ahead."

Councilwoman Blass: "Mr. Supervisor, were you going to- "

Supervisor Cardinale: "Yes."

Councilwoman Blass: "-- clarify the dredging, please?"

Supervisor Cardinale: "Yes. On both of them. In fact there were questions- on the 12,000, I did verify with Jack, our budget director, that that will be refunded to the budget by the state, so it's just- and on the appropriated fund- on the 30,000 dredging, that's the emergency dredging. If we are able to dredge within the next 15 days at Wading River on a special condition, we will do so, but that 30,000 will be paid back to the appropriated fund balance from the \$400,000 settlement proceeds from the Wading River dredge settlement. So if we need to do it within the next 15 days, we will."

I'll keep you informed because we're awaiting a second bid for the emergency dredging pursuant to the conditions of the DEC and we anticipate that it will be approximately \$30,000 and I'll let you know if it's any more than that, I will let you know."

Councilwoman Sanders: "And one additional comment, if you don't mind."

Supervisor Cardinale: "Yes."

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Councilwoman Sanders: "It might be an appropriate time to bring it up. And September will be here before you know it and we'll be back into budget season again, but these kinds of items that are reimbursable by the state should be identified I would think somewhere in the budget so that we can see at any given time that the money was returned to us from the state and we can clearly identify it right on the budget- "

Supervisor Cardinale: "Right."

Councilwoman Sanders: "-- when we sit down and review it."

Supervisor Cardinale: "Can you do that, Jack, on the- so that we know what's- all right, very good. Thank you."

All right, with those- with that discussion, I- it was moved and seconded. May I have a vote, please?"

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #224

Councilman Bartunek: "Authorize the chief of police to submit a grant application. So moved."

Councilman Densieski: "Second the motion."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #225

Councilman Densieski: "Ratifies the submission of a grant application by the chief of police. So moved."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #226

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Councilwoman Sanders: "Awards bid on one 1980 Walters snowfighter or equal. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #227

Councilman Bartunek: "Reappoints park attendants to the Recreation Department. So moved."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes."

Councilman Densieski: "Did you second?"

Councilwoman Blass: "I'll second it. Just-- I believe it should say ratifies appointment because according to the resolution, they started work on the 18th. So we should say ratifies appointments."

Supervisor Cardinale: "Yes. It says ratifies appointments of park attendants."

Councilwoman Blass: "Ratifies appointments of park attendants."

Supervisor Cardinale: "Okay. Ratifies."

Councilwoman Blass: "I just-- "

Supervisor Cardinale: "Ratifies appointment. Okay. And with that-- "

Councilwoman Blass: "Seconded and yes all together."

Supervisor Cardinale: "So as-- we all amend our vote to include that change."

Barbara Grattan: "Got you."

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Supervisor Cardinale: "Okay."

Barbara Grattan: "All right. Now where were we in voting?"

The Vote (Cont'd.): "Densieski, yes; Cardinale."

Supervisor Cardinale: "Yes, as amended."

Barbara Grattan: "Okay, resolution is adopted."

Resolution #228

Councilwoman Blass: "And that same correction applies to Resolution 228, ratifies."

Supervisor Cardinale: "Ratifies appointment of part time guards."

Councilwoman Blass: "So moved."

Supervisor Cardinale: "Moved. Second, please."

Councilman Densieski: "Second."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #229

Councilman Densieski: "Ratifies reappointment of Matthew Sanders as a waterfront coordinator, Level 7, to the Riverhead Recreation Department. So moved."

Councilwoman Blass: "And seconded, with a question."

Supervisor Cardinale: "Yes?"

Councilwoman Blass: "I see Mr. Janacek (phonetic) here and I was just referring to last year's resolution where the waterfront coordinator was hired on May 24th and I'm wondering why the waterfront coordinator is being hired as of March 1st this year."

(Inaudible remark from the audience)

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Councilwoman Blass: "Okay, thank you."

Supervisor Cardinale: "How many hours does he work in March?
Just as needed?"

(Inaudible remark from the audience)

Supervisor Cardinale: "And within budget. Okay."

Councilwoman Blass: "Thank you."

Supervisor Cardinale: "Moved and seconded, 229. Can we have a
vote?"

The Vote: "Bartunek, yes; Sanders, abstain; Blass, yes;
Densieski, yes; Cardinale, yes. The resolution is adopted.

Resolution #230

Councilwoman Blass: "Ratifies part time recreation aides for
the purposes of being teen center aides in the Recreation Department.
So moved."

Councilman Bartunek: "Second."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski,
yes; Cardinale, yes. The resolution is adopted.

Resolution #231

Councilman Bartunek: "Resolution to set fees for East Creek
docking. So moved."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders."

Councilwoman Sanders: "Are we going to-- "

Councilwoman Blass: "We have to amend it."

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Supervisor Cardinale: "Yeah, as amended with the 2004 season."

Barbara Grattan: "2004 season."

Councilwoman Sanders: "Right. Correct."

The Vote (Cont'd.): "Sanders, yes; Blass, yes; Densieski."

Councilman Densieski: "Not to re-live the whole East Creek thing which I did not support, but this resolution still allows non-Riverhead residents to come even though there's a waiting list of Riverhead residents. There's no way I'm supporting that. I vote no."

The Vote (Cont'd.): "Cardinale, yes. That resolution is adopted."

Resolution #232

Councilwoman Blass: "This resolution authorizes the Town Clerk to post and publish a public notice of a public hearing to consider a proposed local law to repeal and replace Chapter 113A entitled Marina Regulations of the Riverhead Town Code. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #233

Councilwoman Sanders: "Authorizes the dredging of the Wading River Creek on an emergency basis. So moved."

Councilman Bartunek: "Seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Resolution #234

Councilman Densieski: "Recognizes colorectal cancer awareness

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month. So moved."

Councilwoman Blass: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski."

Councilman Densieski: "I just have to make a quick comment here. I just want to read the third Whereas or a portion of it.

Whereas, 90% of all colorectal cancer deaths are thought to be preventable through use of these screening tests. This hits home for me because I have a family history of it and I went through the process twice. They found polyps in my colon both times. The test does not hurt at all but I do admit it's a little embarrassing. It's for your own benefit to get these tests, anybody who hasn't had one. I also want to thank Denise for drafting this resolution. It's pretty important. I vote yes."

The Vote (Cont'd.): "Cardinale, yes. The resolution is adopted."

Resolution #235

Councilman Densieski: "Extension of contract between the Riverhead Ambulance District and the Riverhead Volunteer Ambulance Corps., Inc. So moved."

Councilman Bartunek: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted.

Resolution #236

Councilman Bartunek: "Authorizes Valerie Marvin, Esq. as hearing officer in the matter of a disciplinary proceeding against a town employee. So moved."

Councilwoman Sanders: "And seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

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The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted.

Resolution #327

Barbara Grattan: "Resolution #327 is bills. Councilman Densieski."

Councilman Densieski: "So moved."

Councilwoman Sanders: "Seconded."

Councilman Bartunek: "Seconded."

Supervisor Cardinale: "Moved and seconded. Vote, please."

The Vote: "Bartunek, yes; Sanders, yes; Blass, yes; Densieski, yes; Cardinale, yes. The resolution is adopted."

Supervisor Cardinale: "Thank you. With that, we've completed the resolutions. Is there any comment further from the public? I have one card from Ted Stagg and then I'll take any other comments. Yes, Ted?"

Ted Stagg: "Ted Stagg, I live in Riverhead. I have a prepared statement."

Supervisor Cardinale: "Thank you."

Ted Stagg: "There was once a young man from Texas who joined the Armed Forces while still a teenager. He served honorably for nine years in the Marine Corps, the Army and the Coast Guard. His time in the service included seeing action in World War I and beyond. When his time in the US Military had come to an end, he made his home in Riverhead where he lived for nearly half a century until his death in 1977.

Who is this man and why have I told you about him?

First, the who. This man that I spoke about was my father, Carl Stagg. Now the why. And be forewarned, you may not like what I'm about to say.

As far back as I can remember, the US Military organizations in the town of Riverhead has made a practice of placing American flags on the graves of our veterans on Memorial Day and Veterans Day but for reasons unknown to me, my father's grave has been skipped over

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for a number of years. It reminds me of a bumper sticker that was popular a number of years ago. It read as follows: If You Love Your Freedom, Thank a Vet.

Don't place a flag on the graves of all of our veterans, just certain ones. Is this how the town of Riverhead thanks the veterans who are buried here? As far as I'm concerned, that's a slap in the face to any veteran who is buried in Riverhead.

I think that it's time that the town of Riverhead and the US Military organizations throughout the town come clean. Why has this injustice been allowed to happen for so long? Indeed, why was it allowed to happen at all? What will be done to ensure that it never happens again?

I challenge the town of Riverhead and the service organizations located throughout the town, to answer these questions truthfully and in a timely fashion."

Supervisor Cardinale: "Who puts the flags up, Ted, on the graves?"

Ted Stagg: "As far as I know, the probably the Boy Scouts and the Girl Scouts but the flags as far as I know are provided by the service organizations. And the service organizations in this town have rosters of the members going back how many years you want to go back."

Supervisor Cardinale: "I see. And you're saying that they put them on everyone else's but not your Dad's?"

Ted Stagg: "Not on my father's and I don't know how many others besides him."

Supervisor Cardinale: "They just put them up on selected ones?"

Ted Stagg: "That seems to be the case. That seems to be- "

Supervisor Cardinale: "Have you spoken to the veteran's organizations about this?"

Ted Stagg: "I have written letters in the past to the commanders of the organizations and I never got an answer."

Councilman Bartunek: "Why don't you see Paul Leszczynski?"

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Supervisor Cardinale: "Paul is our Assessor and he's very active."

Ted Stagg: "I know- I knew who he was as soon as Mr. Bartunek said his name. Yeah."

Councilman Bartunek: "He'll give you an answer or make corrections."

Supervisor Cardinale: "Do- if he wants- do you have- have you spoken to him? Would you like me to speak to him? I would like to follow up on it. I think it's wrong. Obviously- "

Ted Stagg: "I think it would be better- yeah, I'd rather- "

Supervisor Cardinale: "Could you give Jill, who- stick your hand up right there- give her your number. I'll look into it and I'll have- I'll get back to you."

Ted Stagg: "Okay. Thank you."

Supervisor Cardinale: "Find out what's going on."

Ted Stagg: "Thank you. Because that's been going on for like the better part of 20 years, as far as I can tell."

Supervisor Cardinale: "I'll find out, you know, who puts the flags up on the graves. On Memorial Day and Veterans Day, is that when they do it?"

Ted Stagg: "Usually, yeah. The parades and stuff."

Supervisor Cardinale: "Why certain graves are not included."

Ted Stagg: "Yeah, just because someone was not killed in action or did not win a medal or whatever."

Supervisor Cardinale: "Yeah."

Ted Stagg: "Um- "

Supervisor Cardinale: "It may be something innocent or it may be something more. We'll find out."

Ted Stagg: "Thank you."

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Supervisor Cardinale: "Thank you. And Jill will take your number, she's right there, my Deputy. Okay. I've got one here and then I've got to hear from the man in front, Jim Greene, who hasn't been here for a while, Mr. Schmelzer."

Susan Fronhofer: "Hi, my name is Susan Fronhofer, I live on (inaudible) in Riverhead, and I'm inquiring about the River Club property. I know it was open to public hearing back before some of the people on the Town Board weren't- "

Supervisor Cardinale: "Right."

Susan Fronhofer: "-- on the Board and I'm curious as to why a resolution or why it hasn't been voted on or exactly what the status of it is. And based on what I hear with the Calverton project with everyone wanting things to be reassessed, I would say the \$6.5 million is looking better and better and for those that weren't on the Board at that time, what I heard when I went to all these hearings and I spoke at them, the general consensus of the public, unlike a lot of these other hearings where you have people for and people against the purchase, or doing things, everyone seemed to be for the purchase and the only holding point on it was the price of the project. And based on that, I would like to see a resolution be put forth that the Board votes on.

I know there's something with Suffolk County. I've been writing them as to- I don't know exactly whether you can act on it pending the result of the inquiries of Suffolk County legalize, whatever they're doing. But I don't know what's going on and I'd like to know the status of it and why it hasn't been brought to a resolution or a vote."

Supervisor Cardinale: "Well, I can tell you this that we do await- and I have inquired and received no confirming answer as to the status of the investigation because that- several members of the Board have indicated a disinclination to proceed unless they had that result.

Secondly, the county- both the county and the person of Legislator Carracciola has indicated to me the county would not be willing to participate at this point- at least he would not recommend it, and in addition to that, Sean Walter I had asked- that's the attorney in charge of our purchases, to discuss with the present owners whether or not they would be willing to proceed with a, you know, with an appraisal and sell it for its fair value.

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They indicated they would not do business with the county, so they don't like each other very much, the county and the owner. And that would mean we would have to buy it alone and we would have to buy it for the \$6.5 million, not for its appraised value.

That's the status and the reason that it hasn't proceeded, I think, is because it's largely due to the fact that the county won't partner and we don't have an answer from ADA Spota yet as to the pending investigation."

Susan Fronhofer: "Well, if the county isn't going to, then I think the town ought to look at why they're not- why we should go forth and purchase it on our own for the 6.5 mil and based on assessed values, what I keep hearing back then there were people talking to and for- for and against, as whether they thought it was too much.

Well, I know my neighbor sold a little parcel on the water and what he got for his little teeny parcel and I think the \$6.5 million is more than a fair- a lot of people are saying it's too much but based on the water frontage on it and the environmental impact of it and also the values of waterfront property, everyone would like to get things for a steal, so to speak. But the \$6.5 mil I really think is actually a very good buy for that property on the water based on what I see in values for water property and the critically environmental impact.

And, like I said, it didn't seem like any of your constituents were against the purchase of it. In fact, everyone that got up and spoke about it, wanted the purchase of it. It was just a matter of the price. And if that's what's holding us back, based on the people not liking the Calverton and wanted you to get reassessed because they want you to get the best buy for your money, I don't know whether you really want it to go for another assessment because the price of that property is probably going up also."

Supervisor Cardinale: "Thank you."

Susan Fronhofer: "All right. Thank you."

Councilman Densieski: "Phil, I have a question, the same point."

Supervisor Cardinale: "Yes."

Councilman Densieski: "Isn't it quite possible that we will never hear from the county and the DA Spota? Isn't it possible they

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will never respond to us?"

Supervisor Cardinale: "I guess judging from our experience with the DEC, anything is possible. They haven't responded in 15 years. Normally when a criminal investigation is closed out, they will advise the targets of that investigation such- and they're investigating the Town Board, that this investigation has been completed and there has been no action taken. I should think that ADA Spota owes at least that to the town of Riverhead and I would expect that and I would urge him to do that one way or the other.

The other factor in my mind, of course, is that the- that I'm pushing very hard to complete the re-zones. Once the re-zones are done, I certainly would consider a, you know, forking up for a new appraisal and seeing what the value of the property is because it's a good piece of property considered for our open space program.

I am disappointed that the county will not consider partnering but nothing- nothing is forever. Just because one of, you know, that was the position of County Legislator Carraciolla, it may not be the position of the entire Legislature. So, I will redouble my efforts to get an answer because I think ADA Spota owes us an answer as a town.

Any other comments? Let me take Mr. Schmelzer and then Sal and then maybe we can all go to dinner.

Welcome back. I know you've been ill and unable to make the meetings."

George Schmelzer: "Well, thank you. I notice you are going to make two acre zoning to save farms from one acre. I don't understand. Now if every town, every house in Riverhead had two acres, we'd have much less land. If every house in Nassau and Suffolk had two acres, I don't think they'd fit. So if you include all Long Island, we'd be down to 50 foot lots. Anyway.

I figured out- what the hell, wrong pocket."

Councilman Bartunek: "What was that, a hundred dollar bill you pulled out there?"

George Schmelzer: "No. It's a- "

Councilwoman Blass: "You dropped something."

George Schmelzer: "-- it's a fake dollar. Most dollars are

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fake, you know. Oh, I'm sorry. Thank you.

An acre of land, sod farming."

Supervisor Cardinale: "Yes."

George Schmelzer: "Three inches they take, they used to take four- I mean one-half. It's 1382 cubic foot of topsoil they take. You make that into a cube, it would be a cube 11'1" on all sides. You can go on Edwards Avenue today, north of the track, and see that the shoulder land which is part of the road, is a few inches higher than the field because they've taken several crops off.

Now the way it is now, a farmer can get big money for selling his development rights and the land can be only used for agricultural after that. If a guy feels he can't make a living, a sod farmer will buy it. And he can get a crop every two years and the IRS lets him get a depletion allowance on his investment. So he can raise sod and eventually get all his money back. When he goes down to sub-soil, he has no good grass and walks away from it. Very good."

Supervisor Cardinale: "That's interesting. I never thought of that, George. You are a continuing source of wonder and- "

George Schmelzer: "So let's look at farming. One hundred years ago, we had several hundred acres of cranberries. You can see plenty of areas now, swamps with ditches in, left over. In front of our house, the river is. The river went down once in 1932, when they built the new dam, you can see cranberry ditches in front. Of course, you can't see it now.

And ducks. We had- in its heyday we had what, 70 duck farms around. Even six in Calverton; one in Manorville. Now maybe you never heard this before, but what happened to the ducks was their own damn fault. They used to raise ducks at 12 weeks old. They had fully matured feathers and meat. Then these feed farms came along, especially Agway, now you can raise a duck cheaper, you can sell them at eight weeks. So they raised the ducks to eight weeks, seven and a half weeks, they had no meat, only fat, and the feathers were no good.

So in the beginning, we called the name Long Island, they got two cents a pound more, they had their nose in the air. So the farmers went broke, that was the end of the industry. They did it themselves. And the laboratory, the disease laboratory they built after World War II in Eastport, did research on improving the breed.

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Of course, they had to hire a special doctor, they hired a quack doctor to keep the ducks quacking, you know.

So, I notice sometimes a duck would be mixed with a mallard. The meat was very good, but had black feathers. Now you notice in the store all turkeys, ducks and chickens have white feathers. The reason is if you have a black feather and you pull the feathers out, there might be a (inaudible) there that leaves a black spot and the housewife sees that, what's this dirt or a blackhead. I don't want that thing. But if the feathers are white it's there, but they don't see it."

Supervisor Cardinale: "It's fascinating."

George Schmelzer: "That's the reason, see. So and so--"

Supervisor Cardinale: "Yes, go right ahead."

George Schmelzer: "-- the duck farmers- the laboratory never did any research. I did some research just before I went broke. The Peking duck that they raised has- is not a flight bird. He's not a flight bird, it has very little breast muscle, which is meat. So I noticed a cross breed how it was and I found out they were white mallards and I bought a couple white mallards the year I went broke. And also I experimented with (inaudible) ducks. You can mix a (inaudible) with a Peking, like a donkey is mixed with a horse and make a mule, see. (Inaudible) is not really a duck. It's similar to a duck, it takes a week longer to hatch, different, see. So it had this cross- I learned what to do and what not to do with them. So it took me a couple years to learn and I had this one duck, I watched. It took a week longer to grow. Brought it to the Riverhead packing house and told the boss about it. He said, take it and bring it down to (inaudible) laboratories in Islip somewhere when it was all packed up and bring another one with you, too. They checked it out for meat and they said we must have screwed it up, there can't be that much difference. They did it over again with just as much- a terrific difference, unbelievable.

If they did something like that, continued on with it or crossed a white mallard, business would have continued. But they ruined it themselves. Of course, they won't admit it because like Agway and the bulk feed fed directly out, they put 100 more pounds of water in a ton and then give you fifty cents back for dividends. So that's- "

Supervisor Cardinale: "Interesting story. As fascinating as that is, it's getting me very hungry."

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George Schmelzer: "And potatoes, yeah- "

Supervisor Cardinale: "This is going to be a good time to break."

George Schmelzer: "And potatoes, we had- "

Supervisor Cardinale: "For dinner."

George Schmelzer: "-- we had almost 60,000 acres, about 100 square miles of potato land. One hundred square miles of land of potatoes. So, we had two fertilizer factories, they're all gone. We had one feed mill to make duck feed, it's all gone. So but what are you going to do now?"

Supervisor Cardinale: "Go home and eat."

George Schmelzer: "There's no potato dealers. There were five up in Calverton. They all quit in one year. Had Riverhead potato dealers- I mean, machinery dealers. Even the City Parks Department went out to Riverhead to buy farm machinery. It's all gone now. Are you going to save the farms? What are you saving? Who are you kidding."

Councilman Bartunek: "This is why we have sod farms."

George Schmelzer: "Huh?"

Councilman Bartunek: "We're back to where we were."

George Schmelzer: "What?"

Councilman Bartunek: "This is why we have sod farms now."

George Schmelzer: "Yeah, well, there's no farms left. It doesn't pay. Potatoes raised every year, every year. They don't taste as good as potatoes raised every three, four years on land. They can do that out west cheaper. Only spray once. Here we plant potatoes every year, the bugs like that. Boy, they've got something to eat every year. You're kidding yourself. Who are you kidding?

And the population, from World War I- after World War II, I mean we have (inaudible) many people now. So they've got to go somewhere. Do you object to them coming here? They've got to go somewhere. Naturally- these people come out from the city, they- you listen to

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them? Come on."

Supervisor Cardinale: "George, that's such a philosophical question. I think I need overnight to consider it. So, can I let Sal tell me what he wants to tell me?"

George Schmelzer: "Yeah. You want this two acre zoning. How many of you have two acres under your own house? I don't believe any of you do. So if you don't, I suggest before you pass that rule to make two acre zoning, you buy a sliver of land somewhere so it adds up to two acres with the land under your house and the other land just look at and pay taxes on it. Really."

Supervisor Cardinale: "Okay. That's an interesting suggestion, too, and I thank you for it."

Sal, did you have a comment you wanted to make? Come on up."

George Schmelzer: "Okay."

Supervisor Cardinale: "Thank you, George."

George Schmelzer: "I've got something more to tell you about the schools, too. But when you're finished, I'll tell you."

Supervisor Cardinale: "All right. Maybe we can talk a little more about that privately sometime. But my board members are beginning to faint. They're fainting from lack of food."

George Schmelzer: "It's going to be over soon, a couple minutes?"

Supervisor Cardinale: "Yeah."

George Schmelzer: "Okay."

Supervisor Cardinale: "All right? But thank you, George, I appreciate your comments. And, Sal, you can tell me what you want to tell me and then I can go home."

George Schmelzer: "Okay. Okay, thank you for listening."

Supervisor Cardinale: "Thank you."

Councilman Densieski: "Thank you, George."

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Supervisor Cardinale: "Thank you. Nice to see you again."

George Schmelzer: "Okay. Maybe you'll see more often, I hope. I haven't been here for months."

Supervisor Cardinale: "I don't know what that means."

George Schmelzer: "I was badly sick."

Sal Mastropolo: "Sal Mastropolo, Calverton."

Supervisor Cardinale: "Yes, Sal."

Sal Mastropolo: "In last week's News Review, they recorded, they reported some numbers. The Riverhead Town Clerk collected \$130,797 in fees. Southold collected \$2,907,299 in fees. Now that included \$1.8 million in landfill. But if you take the \$1.8 million out of there, it leaves \$1.1 million in fees."

Supervisor Cardinale: "Landfill fees?"

Sal Mastropolo: "Yeah. They charge for landfill. So it begs the question (1) is are they that much bigger than us; or (2) are their fees that much different than ours that they collect almost 10 times as many fees as we are? Or are we accounting for them differently?"

Supervisor Cardinale: "Good question."

Barbara Grattan: "She does all her- all the recreation fees come through Southold Town Clerk's Office which is quite a bit, parking, everything, through Recreation."

Sal Mastropolo: "Okay. So she accounts different than we do."

Barbara Grattan: "She does. She's got more permits than we do. I'm just trying to think of some of those. Beach permits go through the Town Clerk's Office, which they go through the Rec Dept. Recreation takes in a lot of money and that's what she does."

Sal Mastropolo: "Second item. The Atlantis Hotel. I was listening to your work session and I hope we're not going to give them 100% exemption for 10 years. I mean, you know, on the hotel, etc."

Supervisor Cardinale: "Well, I think that there's some

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(inaudible) on the Board as to whether we will- what we will do. So I've asked Jim Bissett to come in and talk to the board on the 25th if he can make it."

Sal Mastropolo: "And is the school board being given the option of- I mean giving them an exemption or not giving them an exemption? I mean, it's the school taxes that are killing us. They pay special- they pay the special districts, but they don't pay any school taxes."

Supervisor Cardinale: "Yeah. Incidentally, that's true. The- Jim Bissett- there was an article in the paper, you probably saw it. He pays almost \$100,000 in taxes as it is. He would pay a great deal more."

Sal Mastropolo: "What's \$100,000?"

Supervisor Cardinale: "Nothing. But it's- "

Sal Mastropolo: "I mean you have houses in Wading River that are paying \$12,000 and that's a residence."

Supervisor Cardinale: "Some more. We are going to discuss with Jim Bissett what the board will recommend to the IDA. But the IDA is actually the entity that determines what tax exemption to give. They will usually not exceed their policy unless they get an okay from the town board and that's the question we will be discussing as to whether the town board is willing to induce this project by altering the- as they did with the aquarium, the usual deal."

Sal Mastropolo: "Okay. In last week's News Review, in the title transfers, there were about eight different title transfers from Sagliocca (phonetic) to various different LLC companies. Is that the Riverside Drive property?"

Supervisor Cardinale: "Um- "

Sal Mastropolo: "The same property that you're looking- that is open for public acquisition?"

Supervisor Cardinale: "The News Review has done an article on it. I believe that that is accurate. I'd ask Denise, she probably knows better than I. But I believe that there were a series of transfers within a checkerboard because there are 163 or 1- 161 lots- 159 lots, and I believe that's the way they transferred it."

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Sal Mastropolo: "Yeah, they transferred like 31 lots, 32 lots."

Supervisor Cardinale: "And that was in order to- "

Sal Mastropolo: "In order to beat the 2% tax."

Supervisor Cardinale: "Yeah, that also."

Sal Mastropolo: "I mean, let's face it. They got less than \$400,000 per transfer, okay. And you exempt the first what, \$150,000? \$175,000."

Supervisor Cardinale: "No, 75 on vacant land. They saved some, yeah."

Sal Mastropolo: "They saved quite a bit."

Supervisor Cardinale: "Every deed they did they saved \$1,500.00."

Sal Mastropolo: "Now, the question- okay, that begs another question. If they decide they're going to build, okay, and it doesn't get bought for public acquisition, are they going to then marry all that land back together again so they can put up one huge condo complex?"

Supervisor Cardinale: "I would expect so, yeah."

Sal Mastropolo: "And are we going to let them do that since they subdivided it to beat the taxes in the first place?"

Supervisor Cardinale: "You can always merge your property back together voluntarily so we wouldn't have much to say about that. The reason they did it that way, is they would like to contend that it's already been subdivided which our town's position as I understand it, is that that subdivision is no longer valid. But that's why they did it."

Sal Mastropolo: "It was interesting because the eight acquisitions were like eight different names. They changed a word here, a word there."

Supervisor Cardinale: "Yeah."

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Sal Mastropolo: "Riverfront LLC, Riverside LLC."

Supervisor Cardinale: "Yes."

Sal Mastropolo: "River something LLC. Okay."

Supervisor Cardinale: "Checkerboarding is what it's called."

Sal Mastropolo: "Yeah."

Supervisor Cardinale: "It's common."

Sal Mastropolo: "In your state of the town address, you mentioned accessory apartments."

Supervisor Cardinale: "Yes."

Sal Mastropolo: "Is the town doing anything to approve accessory apartments in Riverhead?"

Supervisor Cardinale: "Dawn, was there anything in the master plan in that regard?"

Councilwoman Blass: "Yes."

Councilman Densieski: "I can also state what we did currently a year or two ago is made it legal for upstairs apartments downtown above retail. A year or two ago, I guess."

Sal Mastropolo: "Okay. What about in the outlying areas, for example like in the Wildwood area of Wading River where a lot of the houses were summer houses originally and then they became all year around houses. What about in that area?"

Councilman Densieski: "The thing we asked was only for Business D, which is downtown."

Sal Mastropolo: "Okay. Thank you."

Supervisor Cardinale: "Do you have- is there anything else in the master plan, Barbara, that addresses that?"

Councilwoman Blass: "We've been working on the residential districts, actually starting with the agricultural protection zone wherein it will be a permitted use to have an accessory apartment that will actually be a stand alone building on the large ag lots."

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So where the current agricultural zone provides for a two family dwelling by special permit of the town board, we're recommending elimination of that and allowing for a single stand alone dwelling unit no greater than 1,000 square feet to act as an accessory dwelling unit to the- a farm operation.

So that's the only zone that we've been dealing with thus far. That's the specific recommendation right now. We haven't dealt with the outlying residential zones yet."

Sal Mastropolo: "Okay."

Councilwoman Blass: "So I can tell you it's being provided for in the agricultural protection zone in that way."

Sal Mastropolo: "Okay, that was my next question. Is there any plan to look further than that?"

Councilwoman Blass: "I would imagine there is. We just haven't gotten there yet in terms of the specific zoning recommendations. We've alluded to accessory apartments all throughout the policy in the master plan. We just haven't gotten specific on where they're going to be permitted just yet. As the zoning gets written, we'll know that."

Sal Mastropolo: "Okay, thank you."

Supervisor Cardinale: "Thank you. Unless there's further comment, I would love to adjourn and since there isn't, I will."

Meeting adjourned: 5:55 p.m.